



Daily Report

East Asia

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Japan

Japan: Hashimoto Signs Okinawa Land Lease to U.S. Forces

OW2803100996 Tokyo KYODO in English
1001 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Prime Minister Ryutaro Hashimoto on Thursday [28 March] signed documents needed for continuing forced land leasing to U.S. forces in Okinawa Prefecture on behalf of Okinawa Gov. Masahide Ota after Ota refused to do so despite a court order.

Even if the legal steps for maintaining land leasing go smoothly, it is now inevitable that the government will occupy part of the land "illegally" after the current lease contract expires at the end of March.

Ota rejected Wednesday a court order to sign documents needed to renew land leasing to the U.S. military and also indicated he would take the battle to the Supreme Court.

The Naha branch of the Fukuoka High Court ordered Ota on Monday to sign the documents by Thursday, to facilitate the continued leasing of land to the U.S. military for its bases in the island prefecture, about 1,600 kilometers southwest of Tokyo.

The documents in question are those for renewing land leasing contracts for a total of 35,000 square meters of land owned by Okinawa residents. Leases for a 236-sq. meter communications site in Yomitan, expire at the end of the month.

Ota has sided with the landowners and has rebuffed several attempts by central government officials to persuade the governor to sign the lease documents.

The long-standing land lease problem came to a head following the rape of an Okinawa schoolgirl last September for which three U.S. servicemen have been convicted.

In December, then Prime Minister Tomiichi Murayama filed a lawsuit against Ota, aiming to force the governor to comply with the central government's wishes.

Japan: Editorial Views U.S. Military Land Lease Ruling

OW2803115396 Tokyo ASAHI SHIMBUN (Morning Edition) in Japanese 26 Mar 96 p 5

[Editorial: "Okinawa Court Ruling Raises Questions"]

[FBIS Translated Text] As anticipated, the ruling of the Naha branch of the Fukuoka High Court on the forced extension of the land lease for U.S. military bases in Okinawa has come down in favor of the prime minister,

ordering Okinawa Governor Masahide Ota to proceed with the extension formalities.

The Okinawan people were not disappointed simply by the court's finding. They must have discerned, through the court proceeding, that the judiciary as well as the politicians are neither willing nor able to squarely face the problems associated with American military bases in Okinawa.

The court has demonstrated the breadth of the perception gap between Okinawa and the mainland, that is to say, the gap between Okinawa and the central government and the nation's judiciary. The first lesson of the ruling is the breadth of that chasm.

Gap Between Okinawa, Mainland Is Too Deep

What Ota and the Okinawan people hoped was that the suit would narrow the gap. Okinawans intended to demonstrate the serious effect the U.S. military bases burden has on their daily lives under Japan-U.S. security arrangements. They had hoped that the court would respond by addressing the questions they raised.

The Okinawan people are afflicted with the crimes of U.S. military personnel, accidents involving them, and the noise and inconvenience of military exercises. So much Okinawan land is taken up by the vast military bases that no significant industries can be nurtured. How long must the Okinawan people bear such a heavy burden?

Why are the serious violations of human rights and injustices not put right, despite the guarantees of basic human rights for Okinawans, as for all Japanese, under the Constitution?

The elected governor of Okinawa has a natural obligation to represent his people in trying to regain peaceful, dignified lives. How could the governor's refusal to carry out the process for forced lease extension, as part of his duty, be considered illegal?

The court did not listen to the governor under such circumstances. In making its ruling, the court refused to respond to the issues raised by the Okinawans. Instead, it cut them off short by saying that the "governor is not qualified to question the central government's judgment regarding land use for U.S. military installations."

The Local Autonomy Law provides that the judiciary can be consulted when a governor refuses to comply with a central government order, such as the refusal to sign lease extensions as proxy for landowners. If a governor cannot take issue with a government decision, then that governor is no more than a central government minion.

The Okinawa prefectural government made the unprecedented decision to refuse extension of the land leases because military bases there have not been reduced appreciably, despite repeated requests for such reductions over the 20 years since Okinawa administration was returned to Japan. How much thought did the court give to that fact?

Granted, the court's ruling parenthetically noted its understanding of the governor's action in refusing to sign forced lease extensions because of his concerns for the circumstances of American military bases, the feelings of the Okinawan people, and future development of the prefecture.

Stable Use of Base Land is Difficult

But the Okinawan people want their rights and dignity protected. Presiding Judge Ichiro Otsuka should have addressed the question of whether the circumstances involving the military bases are in keeping with the intent of the Constitution, instead of simply writing a "sympathetic line" to the people of Okinawa into the ruling.

Ota is expected to continue his refusal, regardless of the ruling's order to the contrary. And Prime Minister Ryutaro Hashimoto will conduct the procedures on his behalf. Nevertheless, the prime minister will have to apply for forced lease extension to the Okinawa Prefectural Land Expropriation Committee. The right to use some parcels of land for U.S. military installations will expire at the end of March, and the procedures before the committee cannot be conducted in time.

In legal terms, the government will thus be occupying private land illegally, which is extraordinary. Similar suits will come before the court one by one unless the government can obtain the Okinawan people's understanding. And Okinawa's prefectural government will continue to present similar cases. Mayors of eight municipalities in Okinawa have, in effect, said they intend to refuse to carry out the procedures required as part of the committee process.

The movement to reduce the scale of American military bases has gained unprecedented strength since last fall, and the momentum has spread to the rest of Japan. It has become increasingly more difficult to maintain the stability of the American military bases in the face of pressing demands to reduce them.

Settling disputes is what court suits are for. But to expect that one suit over an administrative procedure would open a whole vista of resolution of serious issues, to which previous central government administrations have turned a deaf ear since the end of World War II, is too much to hope for.

Only rarely have court rulings offered redress for mistakes of central government orders. That is a fact of life in the nation's judicial system. And it is all the more reason for politicians to understand the serious responsibility they face for having left the issue of the overburdened Okinawan people unattended for so long.

Heinous crimes by U.S. servicemen and the huge popular movement for reducing the presence of U.S. military bases did not become issues by accident. What have they confronted the central government with? Just three weeks away from a meeting with President Clinton, Prime Minister Hashimoto must consider these factors anew.

First, he must face up to the gap in living standards between Okinawa and other prefectures in Japan that results from the Japan-U.S. security arrangement. Unless he does so, there is no sense of democracy involved in the notion of firmly maintaining those security relations or "redefining" them as the cornerstone of Asia-Pacific regional stability.

Second, he faces the central government's deep-seated complacency in nearly a half-century of Japan-U.S. security relations since the end of the war. As a pacifist nation, what contributions should Japan make toward the post-Cold War era international security system? How should Japan and the United States cooperate in that system? What should Japan do to strengthen the trust of neighboring nations? Japan has not seriously considered these questions.

The prime minister said he would deal with the military base issue in good faith, and former Prime Minister Tomiichi Murayama, who initiated the court action against Ota, said: "The Okinawa problem still troubles me."

To be sure, Japan-U.S. consultations in the past six months have brought some progress on the issues of noise and other concerns related to the Status of Forces Agreement.

Government Urged To Make Political Decision on Base Reduction

However, there has been little indication that either the prime minister or leaders of the other coalition parties have exercised political leadership in appreciably reducing the base presence or working out alternative security proposals that could be applied to the U.S. forward-deployment strategy, under which "100,000 U.S. troops are stationed in the region — 47,000 of them in Japan at present." Typical of such lack of effort is the postponement until autumn of a decision to return the site of Marine Corps Air Station Futenma, which the

prefectural government regards as the highest priority for Okinawa.

In his meeting with Governor Ota last week, Prime Minister Hashimoto cited the increased tension in the Taiwan Strait as a factor against the prospect of reducing American military bases. However, the Japanese prime minister is not bound to parrot what the Americans or Foreign Ministry bureaucrats say. It is now time for him to make a political decision to scale back those military bases upon considering the medium- and long-term needs of the region, and future Japan-U.S. relations.

Ironically, the court ruling shows that the politicians now have to come forth.

Unless the prime minister rises to the occasion, he will do more than leave the Okinawan people further out on the limb. Fine words at the Japan-U.S. summit will only undermine the foundation of trust in Japan-U.S. relations.

Japan: U.S. Agrees To Reduce Noise From Okinawa Air Bases

*OW2803094196 Tokyo KYODO in English
0902 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — The United States agreed Thursday [28 March] to ban in principle operations from late night to early morning at two major air bases in Japan's southernmost island prefecture of Okinawa, as part of a bilateral agreement to reduce noise from U.S. military bases, Japanese officials said Thursday.

Under a set of agreed measures on noise reduction, both flight and ground operations at the Kadena and Futenma air stations will be banned in principle from 10 p.m. to 6 a.m. like restrictions applied to the Atsugi and Yokota air bases near Tokyo, a Foreign Ministry official said.

Japan and the United States reached the accord in the fifth working-level meeting of a special bilateral committee on U.S. bases in Okinawa as part of their efforts to mitigate local residents' concerns about the presence of U.S. forces.

After their summit in Tokyo on April 17, Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton are expected to show the course for reconfiguration and reduction of U.S. bases in Okinawa Prefecture while reaffirming the importance of the bilateral security treaty.

The noise reduction pact calls for discouraging training flights Sundays and also "on days of special significance to surrounding communities" such as the "Memorial Day" of June 23, the official said.

Fighting between former Japanese Imperial Army and the Allied forces ended in Okinawa on that day in 1945, followed by Japan's unconditional surrender Aug. 15 the same year. Okinawa is the only part of Japan to have experienced ground battles in World War II.

Under the agreement, aircraft in the vicinity of Kadena and Futenma bases should maintain a minimum altitude of 1,000 feet (about 300 meters) above sea level, the official said.

However, this falls far short of Japan's initial goal of securing the same level of minimum flight altitudes as Atsugi and Yokota air stations.

Opposition to the heavy U.S. military presence in Okinawa, about 1,600 kilometers southwest of Tokyo, intensified after the abduction and rape last September of a local schoolgirl.

The Naha District Court earlier this month sentenced two American servicemen to seven years in prison and another to six and a half years for the crime.

Okinawa makes up only 0.6 percent of Japan's total land area but has about 75 percent of U.S. military facilities in Japan in terms of land space. Some 30,000 of the 47,000 U.S. troops in Japan are stationed in the island prefecture.

Japan: Draft Accord on Noise Reduction in Okinawa Revealed

OW2703144496 Tokyo ASAHI SHIMBUN (Morning Edition) in Japanese 27 Mar 96 p 3

[FBIS Translated Text] Contents of a draft agreement on reducing noise from the Marine Corps Air Station [MCAS] Futenma and the Kadena Air Base — which is under study by the Japanese and the U.S. Governments — came to light on 26 March. According the draft, the number of night flights between 2200 hours and 0600 hours will be reduced to the minimum, like at bases on the mainland. However, the lower limit of flying altitude is 1,000 feet. Thus, in some parts, the regulations on flights from the two bases are less strict than those on the mainland. Meanwhile, the flights of U.S. airplanes will be minimized on 23 June, which is "Memorial Day for the War Dead" set by the Okinawa Prefecture in commemoration of the end of the battle in Okinawa, with the aim of seeking understanding of the Okinawan people.

As for flight routes of the two bases, the draft says "Planes will try not to fly over densely populated areas and maintain a minimum of 1,000 feet (about 300 meters) flight altitude."

For flights from Yokota Base (in Tokyo), it was agreed at the Japan-U.S. Joint Committee in 1964 that "jets and propeller planes should not fly at an altitude of below 2,000 feet (about 600 meters) and 1,500 feet (about 450 meters) respectively." For the Atsugi Base (in Kanagawa), it was agreed at the committee that "carrier-borne aircraft should not fly below 1,600 feet (about 480 meters) during deck-landing exercises."

Persons concerned said that in the case of Kadena and the MCAS Futenma, there are many types of aircraft using the airfields of those bases, and it is necessary to take into consideration the taking off and landing of helicopters, which fly at low altitude. Moreover, they said that as the air zone of private planes which use the Naha Airport also covers flight routes of the two bases, the limit of the flight altitude has to be 1,000 feet. It is allowed at the Atsugi Base to fly at the lowest altitude of "800 feet (about 240 meters)" for "special exercises." But this is an exceptional case allowed for low-flying exercises and other special exercises.

As for acrobatic flight, in response to the Okinawa side's request "Not to let aircraft do stunts over the airfields and residential areas," the draft says "Acrobatic flight will be allowed when it is planned in advance."

It is expected that the U.S. forces "will refrain from making flights on Sundays" in Okinawa like on the mainland. In addition, the two governments intend to "pay due regards to the individuality of Okinawa" by limiting flights on "Memorial Day for the War Dead" (according to a Foreign Ministry source).

Japan: Tokyo, U.S. Sign Agreement on Air Cargo Services

*OW2803055196 Tokyo KYODO in English
0506 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Japanese and U.S. aviation negotiators signed a document Thursday [28 March] to confirm the agreement they had struck Wednesday for liberalizing air cargo services between the two countries, Japanese Government officials said.

The two sides will finalize and sign a formal memorandum of understanding for the accord, which came after five rounds of talks starting last September, at their final cargo-sector session in Washington scheduled for April 10, the officials said.

Japan expects the agreement to effectively redress the imbalance of Japanese and U.S. aviation interests, about which it has complained since the current Japan-U.S. aviation treaty was concluded more than 40 years ago, Japanese officials said.

"The U.S. also seems to appreciate the agreement," said Jiro Hanyu, deputy director general of the Transport Ministry's civil Aviation Bureau, at a news conference. "Now we want to enter passenger aviation talks as soon as possible."

But the two sides failed to resolve their differences of opinion about so-called "beyond rights" which allow carriers to fly to third countries after stopovers. The accord says they will stick to their traditional positions on the matter.

The U.S. argues that its carriers can exercise the rights unconditionally and without limits under the bilateral treaty, while Japan calls for limiting their use for the sake of order in aviation services.

Hanyu indicated the issue could start up again when Washington and Tokyo begin negotiating passenger aviation. "Beyond rights will be found to be more complicated in the passenger sector," he said.

Japan: PEC Stand on 'Emergency Use' of Okinawa Land Viewed

OW2703155296 Tokyo ASAHI SHIMBUN (Morning Edition) in Japanese 26 Mar 96 p 3

[Article from the "Ever-Changing Moment Column" by the Okinawa Base Issue Team]

[FBIS Translated Text] Although the ruling on the suit involving U.S. military bases on Okinawa was given in favor of the state on 25 March, the state has been in a fix because the Prefectural Expropriation Committee (PEC) is unlikely to immediately approve the emergency use of a portion of land for the Sobe Communication Site (in Yomitan Village) whose lease contract will expire at the end of this month. Behind most PEC members' stand of favoring "deliberate examination" is the increasing opposition from Okinawan people following the Okinawa governor's defeat in the suit. It is likely that the Japan-U.S. Security Treaty will be "redefined" at the bilateral summit scheduled for mid-April with the U.S. military bases "illegally occupying" some land lots. In the face of such circumstances, the state is at a loss about what to do.

"Can we approve the forced lease of land that the governor, who appointed us PEC members, has refused to approve? We are PEC members working for the Okinawa Prefectural Government, not for Washington or Nagata Town [Japan's political center]. At the committee, participants will discuss the security issue, which the court has failed to take up," (said a university professor).

"It is possible to take legal steps to implement the emergency use of the land. However, the trial would

take time as it needs to be conducted deliberately," (said a lawyer).

"Granted that the bilateral security treaty is essential, I want the state to explain to us if the Sobe Communications Site is really necessary," (said another lawyer).

"Interests of the state conflict with those of Okinawa Prefecture. Since we are the Okinawa Prefectural Government's committee members, we should consider this matter as well," (said another university professor).

Most PEC members hold the view that deliberate examinations should be made regarding "emergency use." Discussion at the PEC session will assume a different aspect from that at the suit because the committee members feel Okinawa's public opinion calling for realignment and reduction of bases.

The PEC comprises seven university professors and lawyers who have been appointed by the governor. All of them have been selected by the reformist Governor Masahide Ota, except one, who had been appointed by the former conservative governor.

Five to six requests are submitted to the PEC in a year to obtain its approval for the public works projects and other matters. Normally, the committee takes one to two years to reach decisions. The request for "emergency use" has never been examined in Okinawa.

Against the will of landowners who have refused to lease their land for military use, the PEC has so far approved the forced lease at the state's request. Lately, however, the Okinawan people's opposition has surged due to the rape of a girl, as well as the governor's refusal of signing by proxy. It is noteworthy how the committee's examination will reflect Okinawan people's views. One of the PEC members said, "The committee will not handle the request in the same way as in the past."

Regarding the cases other than the Sobe Communications Site case, the state should obtain the committee's decisions on renewal of the forced lease of land before the lease contracts expire simultaneously in March next year. However, even the PEC's shortest open trial took eight months to complete. The trial on the emergency use of land for the Sobe Communications Site, which will be conducted ahead of others, will foretell the course of other trials.

Japan: U.S. 'Sources' Cited on Microchip Talks at Summit

*OW2803122196 Tokyo KYODO in English
1212 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Renewal of the soon-to-expire U.S.-Japan semiconductor agreement is likely to be one of major issues in talks at the upcoming U.S.-Japan summit meeting in April, U.S. Government sources in Tokyo said Thursday [28 March].

The sources said extension of the bilateral agreement, which is due to expire in July, is necessary for a prosperous and healthy relationship between Japan and the United States.

U.S. President Clinton will visit Japan on April 16-18 and meet with Prime Minister Ryutaro Hashimoto to reaffirm bilateral relations.

The sources said the U.S. Government fears the end of the agreement could lower the foreign share of the Japanese semiconductor market, which has increased to about 30 percent.

While the U.S. is not requesting that numerical targets be included in the pact, a new way of measuring foreign market share needs to be determined, the sources said.

Japan: Minister Repeats Call To Let Microchip Accord Expire

*OW2803030896 Tokyo KYODO in English
0238 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Trade Minister Shumpei Tsukahara repeated his position that the Japan-U.S. microchip agreement should be allowed to expire July 31 as scheduled, when he met with electronics industry leaders Thursday [28 March], ministry officials said.

At the meeting, Norio Ohga, chairman of the Electronics Industries Association of Japan, urged the government to help end the bilateral accord which the United States wants to renew and extend beyond the expiration date, the officials said.

Ohga, who also serves as chairman of Sony Corp., noted that Japanese microchip industry groups made it clear to their U.S. counterpart in February that they believe the pact should expire because it has fulfilled its purpose, they said.

Tsukahara replied he agrees with the industry's position on the accord, asserting the government wants to do its part in terminating the agreement because the private

sector is making its own efforts, according to the officials.

Twenty-four electronics industry leaders attended the meeting with Tsukahara and senior trade ministry officials.

Japan: U.S. Asked for Flexibility in Insurance Talks
OW2803103996 Tokyo KYODO in English
0958 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 KYODO — The United States should show a flexible negotiating stance to break an impasse in insurance talks with Japan, Finance Ministry sources said Thursday [28 March].

Japan and the U.S. remain far apart over measures to be taken by Japan under the 1994 bilateral accord to liberalize its insurance market, the sources said.

The two countries have yet to enter into discussions on specific matters due to their difference in interpretation of the agreement, the sources said.

Japan has no intention to change its interpretation of the accord, but is ready to seek a realistic solution of the issue, taking into account concerns held by foreign insurance companies operating in Japan, the sources said.

At stake is the handling of the so-called third sector, which covers insurance products against cancer and other sicknesses, accidents and nursing. Foreign companies are strong in the third sector, particularly in cancer insurance.

With the revision of Japan's new insurance law April 1, life and nonlife insurance companies can enter each other's business turf through subsidiaries.

The U.S. has argued that those subsidiaries should not be allowed to sell third-sector products before Japan fully liberalizes its life and nonlife insurance markets.

The sources said Japan is not intending to give greater priority to liberalizing the third sector, as the U.S. side is insisting.

The entrance of subsidiaries does not mean "liberalization," but simply represents an increase in the number of companies, the sources said, adding it is strange that the subsidiaries cannot handle third-sector products that are now available for existing life and nonlife companies.

Japan is also making deregulation efforts in the life and nonlife insurance sectors step-by-step, the sources said.

The sources, however, reiterated that based on the insurance accord, Japan is ready to take steps to avoid

radical changes in the business environment of foreign insurance companies.

Insurance is one of the four priority sectors in which the U.S. hopes to see progress before President Bill Clinton visits Japan on April 16-18. The three other sectors are air cargo, photo film and semiconductors.

The two countries reached a broad agreement Wednesday on the air cargo issue.

Japan: Government Studying Possible Delay of PRC Yen Loans

OW2803013296 Tokyo YOMIURI SHIMBUN
(Morning Edition) in Japanese 27 Mar 96 p 2

[FBIS Translated Text] China has not only resumed its nuclear tests but may also indicate a non-cooperative approach toward an early conclusion of the Comprehensive Test-Ban Treaty (CTBT), which is expected to be signed by this autumn. Meanwhile, the government has started studying measures that could be taken to deal with this possible situation. Among the measures being studied are a plan to hold off on the fourth yen-based loans (amounting to approximately Y580 billion [Yen]) originally scheduled to start in fiscal 1996.

As Chinese Foreign Minister Qian Qichen is scheduled to visit Japan on 31 March, Foreign Minister Ikeda will request China to freeze its nuclear tests at the Sino-Japanese foreign ministerial talks.

In addition, China will also be requested to decide on unconditionally agreeing to the CTBT conclusion. So far, China has requested that "nuclear explosions for peaceful purposes" should be exempted from the treaty. Moreover, Chinese Foreign Minister Qian Qichen will be informed of the fact that a severe atmosphere exists among the current ruling parties as it has been voiced that "the issue on yen-based loans cannot be said to be unconnected with the nuclear testing issue." These are the measures to be taken for the time being.

It has been noted that China will resume its nuclear tests as early as this April when the snow starts melting. Meanwhile, it is hoped that a compromise will be reached on the CTBT and it will be signed by this autumn. At around this time, the contracts on yen-based loans will also be signed. However, if China should decide to take such measures as holding off on the CTBT issue, the government will then study the possibility of putting off the yen-based loans.

Japan: Visiting SRV Official Hints Do Moi May Retire in Jun

*OW2803122496 Tokyo KYODO in English
1214 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Vietnamese Communist Party chief Do Muoi, 79, may be among a group of Vietnamese leaders retiring soon, Deputy Premier Tran Duc Luong hinted in Tokyo on Thursday [28 March].

Luong dropped the hint in a meeting with Prime Minister Ryutaro Hashimoto, Japanese officials said.

The Vietnamese deputy premier made the comment in connection with the Communist Party Congress expected to be convened in June, the Japanese officials told reporters.

Luong reiterated Vietnam's full commitment to the policy of Doi Moi (renovation) and asked for Japan's continued support for the campaign, the officials said.

Japan: Upper House Passes Stopgap Budget

*OW2803062496 Tokyo KYODO in English
0528 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — The House of Councillors budget committee voted Thursday [28 March] to approve a 50-day stopgap budget for fiscal 1996 starting April 1 following its passage through the house of representatives on Wednesday.

The 11.6 trillion yen temporary budget is expected to be enacted at an upper house plenary session Friday.

The government of Prime Minister Ryutaro Hashimoto prepared the bill due to a 22-day blockade of the lower house's budget committee room by members of the main opposition party, Shinshinto (New Frontier Party).

Shinshinto members blocked the entrance to the committee room to protest the government's plan to spend at least 685 billion yen in taxpayers' money to help liquidate seven failed housing loan companies.

Diet discussions resumed Tuesday for the first time since coming to a halt earlier this month.

Leaders of ruling and opposition parties agreed Monday to end the three-week-old stalemate and resume Diet debate over the full budget, which includes the government scheme for the liquidation of the housing loan companies.

Deliberations on the full-fledged 75.1 trillion yen state budget for fiscal 1996 are expected to resume in early April.

Japan: Banks To Write Off Over 10 Trillion Yen in Bad Loans

*OW2803130996 Tokyo KYODO in English
1251 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Twenty-one major Japanese banks will write off a total of 10.65 trillion yen in problem loans in fiscal 1995 through March, according to earnings projections the banks released by Thursday [28 March].

The record amount, which far exceeds the previous year's 4,898 billion yen, breaks down into 6.00 trillion yen for 11 major commercial banks known as city banks, 1.92 trillion yen for three long-term credit banks, and 2.73 trillion yen for seven trust banks.

The planned write-off includes 3.50 trillion yen in bad loans to insolvent "jusen" housing loan companies.

The earnings projections, most of which have been revised due to unexpectedly large write-offs, also show that 17 of the 21 banks — seven city banks, seven trust banks and three long-term credit banks — anticipate pretax losses totaling 3,339.9 billion yen. Only four city banks — Sumitomo, Dai-ichi Kangyo, Mitsubishi and the Bank of Tokyo — will manage to post pretax profits.

Reflecting the unfavorable projections, which also include net losses totaling 3,435 billion yen, five city banks, including Sanwa and Fuji, as well as six trust banks and two long-term credit banks, will cut their dividends for fiscal 1995.

Most of the 21 banks will write off problem loans to jusen by transferring an equivalent amount into loan-loss reserves.

The huge write-offs will reduce some banks' capital adequacy ratios to close to 8 percent of their total assets, the minimum level required for internationally active banks.

Japan: LDP's Kato Says No Election Until Fall at 'Earliest'

*OW2803123496 Tokyo KYODO in English
1220 GMT 28 Mar 96*

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Liberal Democratic Party (LDP) Secretary General Koichi Kato on Thursday [28 March] brushed aside speculation about an early general election, saying a poll will not come until fall at the earliest.

Kato said in an interview with KYODO news that more time is needed to obtain public understanding and support for the government's plan to use taxpayers'

money to liquidate virtually bankrupt housing loan companies.

"We want time until fall. The election will not come earlier than that," Kato said.

Kato also pointed to the economy as a factor that is causing unwillingness in the ruling coalition to call an election.

"The final determining factor is the business condition. We cannot go for a poll during an economic slump," he said.

Kato also denied the possibility of "freezing" the government's plan to liquidate the seven housing loan firms, known as "jusen," with 685 billion yen earmarked in the draft fiscal 1996 budget.

Some lawmakers within the ruling alliance among the LDP, the Social Democratic Party (SDP) and New Party Sakigake [Harbinger] are calling for such a step in the face of the strong public criticism and protests from the opposition camp.

"The proposal (of freezing the plan) is unrealistic," Kato said, noting "there is no other way" to solve the jusen fiasco.

But the LDP secretary general added that the government scheme will not start operating until the budget and related bills pass the Diet.

Kato said he will follow the decision of the House of Representatives budget committee over the issue of his own Diet testimony concerning a donation he allegedly received in the past.

The main opposition party Shinshinto (New Frontier Party) is demanding Kato be summoned to the lower house budget panel for testimony on the issue.

"I will follow the decision of the budget panel. I would like to wait and see the developments of the talks (between the ruling and opposition camps)."

Japan: Lower House Approves LDP Dietman's Resignation

OW2703092296 Tokyo KYODO in English
0914 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The House of Representatives on Wednesday [27 March] unanimously approved the resignation of Eitaro Itoyama who had criticized the leadership of the Liberal Democratic Party (LDP) and lower house speaker Takako Doi over the housing loan scandal.

Itoyama, a 53-year-old LDP lawmaker, has been involved in a string of money scandals.

Japan: Transport Ministry Announces 60 More Deregulations

OW2703142296 Tokyo ASAHI SHIMBUN (Morning Edition) in Japanese 27 Mar 96 p 11

[FBIS Translated Text] The Ministry of Transport announced on 26 March that 60 proposals, including a review of conditions for opening new domestic air routes, will be added to the government's deregulation promotion program. Among the proposals aimed at promoting competition among companies are — relax restrictions on opening new domestic air routes beginning in April, ease regulations on fares of taxis and other vehicles, and abolish the escape clause of the Antimonopoly Act.

Restrictions on launching new trucking operations will be eased in April, while the minimum number of taxis [that companies are required to own at the start of operations] will be lowered by the end of the next fiscal year.

Japan: Report Gives Evidence That Bid-Rigging 'Still Rife'

OW2803104596 Tokyo KYODO in English
0941 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Circumstantial evidence of bid-rigging among contractors in receiving orders for public works is still rife, a government report said Thursday [28 March].

In more than 90 percent of the biddings that were repeated three times or more because the lowest bidding price was higher than the price foreseen by the client, the same bidder that first offered the lowest price eventually received the order, according to the report by the Management and Coordination Agency.

The report indicates that the government's efforts to make biddings for public works more transparent and fair have not produced much in the way of results.

The report also shows that the designations of participants in biddings for works for 19 government organizations, including the Justice Ministry and Education Ministry, were concentrated on several specific companies.

The agency plans to recommend Friday to 17 ministries and agencies that their procedures for biddings be improved to prevent bidding manipulations, known as "dango" in Japan.

The survey covered about 2,660 biddings conducted by 37 government organizations in fiscal 1993 and 1994.

In 272 cases, the biddings were repeated three times or more because the lowest bidding price was higher than the planned price.

In 251 of these cases, or 92 percent, the same contractor that first offered the lowest price continued to do so and eventually obtained the order.

In the same period, 19 government organizations selected the same contractors for their biddings in about half of their works.

The agency will recommend to the organizations that they draft manuals for handling information about unfair bidding conducts and establish a special investigation committee.

Japan: Honda To Produce Motorcycles Jointly With Vietnam

OW2803115596 Tokyo KYODO in English
1125 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 KYODO — Honda Motor Co. said Thursday [28 March] it has received approval from the Vietnamese Government to establish a joint venture to manufacture and market motorcycles in Vietnam.

The Japanese automaker will set up the new company Honda Vietnam Co. with a Vietnamese Government-run corporation in April with a capital of 31.2 million U.S. dollars, it said.

Honda and its group will put up 70 percent of the capital for the new company and Vietnam Engine and Agricultural Machinery Corp. will provide the remainder, it said.

The new company will begin producing motorcycles with an engine displacement of some 100 cc by the end of 1997 at a plant to be built in Vinh Phu Province, northwest of Hanoi, it said.

Honda plans to manufacture 200,000 motorcycles at the plant in the year that ends March 31, 1999, and boost its production capacity to 450,000 by the year 2005, it said.

It will be the second motorcycle-manufacturing company a Japanese concern has established in Vietnam, following the one by Suzuki Motor Corp.

Japan: Court Declares Aum Group Bankrupt, Linked to Attacks

OW2803114896 Tokyo KYODO in English
1109 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 KYODO — The Tokyo District Court declared the Aum Shinrikyo religious group bankrupt Thursday [28 March], clearing the final legal step to dissolve the sect, and linked the group to two sarin gas attacks.

The court said Shoko Asahara, 41, ordered the cult's senior members to carry out the March 20, 1995, attack on the Tokyo subway system, which killed 11 people and left thousands ill, and the earlier attack in June 1994 in Matsumoto, central Japan, which killed seven people and injured over 100.

In announcing the determination, the court used evidence presented by prosecutors for the criminal trials in which senior Aum members, including Asahara, are accused of murder and other charges relating to the two nerve gas attacks.

The court said Aum produced sarin gas at its complex in the village of Kamikuishiki in Yamanashi Prefecture, west of Tokyo, to stage Asahara's prophecy of armageddon.

The court also said that by releasing sarin gas during the morning rush hour at Kasumigaseki station, located near the headquarters of the Tokyo Metropolitan Police Department, and other downtown locations, the cult aimed at causing turmoil in Tokyo.

This is also the first judicial determination on the Matsumoto case, which the court said the nerve gas attack was planned to disturb a trial at a local court. A lawsuit had been filed against the cult for its activities in the city.

Japan: 7-Year Sentence Given in First Aum Subway Verdict

OW2703033796 Tokyo KYODO in English
0324 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — A former Aum Shinrikyo follower received a seven-year prison term Wednesday [27 March] morning at the Tokyo District Court for his role in producing sarin nerve gas used in the attack on the Tokyo subway system March 20 last year.

Seiji Tashita, 26, became the first to receive a ruling among the 13 Aum members indicted in connection with the subway gas attack.

Presiding Judge Toshio Yamashita said Aum guru Shoko Asahara, 41, planned the sarin subway attack in an attempt to obstruct police investigations against the cult.

Yamashita gave the seven-year prison term to Tashita, concluding that he was directly involved in a part of the sarin gas attack, which killed 11 people and injured 3,796 others.

Prosecutors demanded a 10-year imprisonment.

Yamashita said Aum's sarin attack was an unforgivable and serious challenge to law and order. He also said there is no room to make allowances for the attack, as the perpetrators showed a complete lack of human conscience.

During trial sessions, Tashita claimed he did not know what he was making, nor the purpose of the gas production. But the presiding judge rejected this claim, ruling that he knew he was making sarin for murder.

According to the Wednesday ruling, Tashita assisted in the production of some 6 liters of sarin at a facility in the Aum complex in the village of Kamikuishiki, Yamanashi prefecture, west of Tokyo, on the eve of the attack.

North Korea

DPRK Paper Urges U.S. Response to 'Tentative Agreement'

SK2803030896 *Pyongyang KCNA in English*
0243 GMT 28 Mar 96

["World Watches U.S. Attitude" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — NODONG SINMUN today urges the United States to respond with sincerity at an early date to the DPRK's proposal for signing a tentative agreement between the two countries in order to remove the danger of armed conflict and war and maintain armistice peacefully on the Korean peninsula.

The paper says in a signed article:

The Korean peninsula is now in a dangerous vacuum in terms of security. The state of armistice may be broken and an irrevocable incident break out any moment.

There is no legal or military control mechanism that can guarantee armistice because the Korean armistice agreement and the ceasefire watch body have been destroyed due to the irresponsible and deliberate acts of the United States.

The aggravation of hostile relations between the DPRK and the United States, which are technically at war, may develop into military action.

In order to prevent armed conflict and recurrence of war on the Korean peninsula, there must be set up, at least, an institutional device at an early date. That is why we proposed to conclude a tentative agreement between the DPRK and the United States.

We will never beg for peace. We do not want any unilateral benefit. Our position is to conclude a DPRK-U.S. tentative agreement in view of the interests of the

two countries and peace in Asia and the rest of the world.

The United States must not misjudge our sincere proposal but show an affirmative attitude.

While expressing concern over the lack of contact route between the two sides in the wake of the paralysis of the armistice system, the United States insists on the "advantages" of the outdated armistice agreement.

Their ulterior intention is to continuously reinforce their Armed Forces and step up war preparations behind the facade of the nominal armistice system. The United States must discard the old mentality and act with reason.

DPRK Flood Damage Committee on U.S. Easing Aid Curbs

SK2803103796 *Pyongyang KCNA in English*
1019 GMT 28 Mar 96

["Statement of Spokesman of DPRK Flood Damage Measure Committee" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — The spokesman for the DPRK Flood Damage Measure Committee issued a statement today.

The statement said:

The U.S. Administration recently took a measure to largely ease the restrictions on nongovernmental assistance to the DPRK and is putting it into practice.

This came amid active material and moral assistance from many countries to the Korean people hit by unprecedented flood.

Accordingly, individuals or nongovernmental organizations will be able to offer relief goods or funds to the DPRK through UN body or Red Cross organization without prior permission of the U.S. Treasury Department unlike the past. The amount and value will not be limited.

The DPRK Flood Damage Measure Committee regards this measure as a positive one.

The measure accords with the interests and demands of the Korean and American peoples and will have a good impact on the improvement of bilateral relations.

The Kim Yong-sam group of South Korea, however, dislike the measure and try to hinder its implementation.

The South Korean authorities have obstructed in every way the relief operations for the DPRK, saying that the United States should not hastily relax the economic "sanctions" on the DPRK. They still try to block the

South Korean people and nongovernmental organizations as well as other countries and international organizations from assisting the flood-hit DPRK.

The Kim Yong-sam group have alleged that the North has been exaggerating its flood damage and keeping reserve food for 7-9 months. They have asked those countries which made contracts of rice sale with the North or want to have contacts with the North for food assistance to cancel the contracts or delay contacts. For this purpose, they have promised to the countries to sell something at a low price. Theirs is really a despicable act unimaginable for the same nation and human beings.

The South Korean rulers have kept overseas compatriots from supplying food to the North with the approval of the governments of the countries where they reside and threatened to charge them with the violation of the "National Security Law" and "an act benefitting the enemy." Worse still, they seized at the airport money and materials which religionist organizations and other civic organizations were going to render to the North through international organizations.

In a bid to prevent assistance to the North, they have circulated in international organizations false materials maliciously slandering the best agricultural and food policies of the North.

Such an act of the South Korean authorities has angered not only the Korean nation but the world people.

It is natural in view of international usage and morality to render assistance to any affected country and nation.

In the past we offered sincere help to other nations when they suffered from disasters. When many people were left homeless by flood in South Korea twelve years ago, we took such a compatriotic measure as supplying a package of relief goods to the victims as early as possible by our ship and lorry. The large quantities of the relief goods, unprecedented in history of humanitarian relief, involved rice, cloth, cement and medicines.

However, the South Korean authorities, far from helping fellow countrymen who have suffered from flood damage, have kept South Korean people and civic organizations from rendering assistance to the victims and obstructed the supply of relief goods and fund by other nations and international organizations. How can we say they are of the same nation?

They never let a chance pass by without crying for "dialogue" and "cooperation."

In the beginning of the year we already put forward a proposal to make 1996 a "year of peace and great national unity" and clarified that we are ready to have contacts and dialogue with anyone without going into

his past treacheries, if he makes sincere efforts to achieve the reunification of the country out of the independent and national stand.

If the South Korean authorities have the least interest in the reunification of the country, they should not pay lip-service to the "dialogue" and "cooperation" but embark upon the road of national reconciliation and unity in deeds.

Though a bit late, the Kim Yong-sam group should act with discretion.

The DPRK Flood Damage Measure Committee takes this opportunity of expressing the expectation that the U.S. and other countries around the world will continue to aid the flood-hit DPRK and, at the same time, set themselves against the manoeuvrings of the South Korean authorities to obstruct the support for the DPRK.

DPRK: Attempt To Link N-S Dialogue With U.S. Ties Criticized

SK2803042696 *Pyongyang KCNA in English*
0414 GMT 28 Mar 96

["Interference in Other's Internal Affairs Undesirable"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — Some people of the United States are alleging that bilateral relations between the Democratic People's Republic of Korea and the U.S. cannot be improved without inter-Korean dialogue. Currying favor with the South Korean puppets under the pretext of the "stability" of the Korean peninsula, they are claiming that inter-Korean dialogue is "indispensable."

Commenting on the fact, NODONG SINMUN today says their allegation is considered to be a despicable act of fawning upon the South Korean puppets and interfering in internal affairs of Korea.

The issue of DPRK-U.S. relations is a matter which should be resolved by the two, the daily says, and goes on:

Those who are trying to connect the issue with inter-Korean dialogue or singing after the South Korean puppets do not want to see the improvement of DPRK-U.S. relations but are used to deal with the matters with a biased thinking pattern, not with an impartial view.

Whether inter-Korean dialogue is held or not entirely depends on our judge and decision.

We, of course, do not oppose inter-Korean dialogue. But the traitor Kim Yong-sam can by no means be our dialogue partner because he is the bitterest enemy of

reunification and is also a flunkeyist, traitor and human dreg.

We consider others' talking about inter-Korean dialogue to be an audacious interference in Korea's internal affairs.

We are not willing to improve relations with others, allowing their interference in our internal affairs.

We will steadfastly defend the dignity and sovereignty of the nation, undaunted by others' demand and pressure.

DPRK Paper on ROK Foreign Minister's Remarks in U.S.

*SK2803044296 Pyongyang KCNA in English
0428 GMT 28 Mar 96*

[**"NODONG SINMUN** on Remarks of S. Korean 'FM'" — KCNA headline]

[**FBIS Transcribed Text**] Pyongyang, March 28 (KCNA) — **NODONG SINMUN** today comments on the remarks made by the South Korean puppet foreign minister, Kong No-myong, during his recent trip to the United States.

At an official ceremony of the United States, Kong No-myong complained that "friendly nations" of South Korea were making an "unprincipled approach to North Korea." He asked his U.S. master to continue support to South Korea including "permanent military presence."

The news analyst says:

Only a lunatic can complain that the United States and other Western countries plan to make an "unprincipled approach" to the DPRK.

As is known, a framework agreement between the DPRK and the United States for peace and settlement of the nuclear issue on the Korean peninsula was adopted a few years ago. The DPRK-U.S. negotiation for light-water reactor provision has already been finished and the supply project is underway. The South Korean puppets, however, describe this as unbeneficial to peace and security on the Korean peninsula and ask their master not to approach the DPRK.

What is more disgusting is that they ask for "permanent presence" of U.S. troops in South Korea.

It is known to all that the U.S. military occupation divided Korea, turned South Korea into the largest nuclear forward base in the Far East and compels the Korean nation to live exposed to the danger of nuclear war.

But, the Kim Yong-sam group beg the aggressor forces to remain in South Korea. This can be done only by

class a sycophants and traitors who have no sense of independence, remain indifferent to the country, the nation, peace and reunification and seek to prolong their days as colonial stooges with the backing of their master.

DPRK: Commentary on Prerequisites for N-S Dialogue

*SK2803100396 Pyongyang Korean Central
Broadcasting Network in Korean
1223 GMT 27 Mar 96*

[Commentary by Kim Ho-sam: "North-South Dialogue Is an Internal Issue of Korea"]

[**FBIS Translated Text**] According to reports, there are forces [seryok] behaving themselves indiscreetly, saying this or that about North-South dialogue on the Korean Peninsula. Such forces are seen not only in Asia and Europe, but also in the Americas. Regardless of where they are, such behavior amounts to uncalled-for meddling in other people's affairs and is essentially interference in the internal affairs of a sovereign country.

High-ranking bosses in the U.S. Administration are precisely those who are behaving this way. Some time ago, high-ranking bosses in the Department of State and the Department of Defense of the United States cried out again that DPRK-U.S. relations would not make progress before similar progress is made in North-South dialogue.

On 20 March while visiting Russia, the Japanese foreign minister uttered at a meeting that it is desirable to have dialogue between the North and the South in order to ease tensions in Korea. In addition to these remarks, the weird remarks that North-South dialogue is indispensable are heard from our neighboring countries.

Aside from the content of these remarks, it is not a rightful act for others who are not the parties directly concerned to talk about dialogue between the North and South of Korea.

In view of its inherent character, North-South dialogue is an out-and-out internal matter of Korea, and therefore it is a matter that should be resolved by the Korean people themselves. There is no justification whatsoever for neighboring countries to edge themselves into this. Furthermore, meddling in another's affairs while soliciting the holding of North-South dialogue is an act which can be perpetrated only by those who are accustomed to interfering in others' internal affairs.

The remarks by high-ranking bosses in the U.S. Administration that DPRK-U.S. relations cannot make progress without achieving progress in North-South dialogue is

preposterous. As we have declared on many occasions, the matters that should be resolved between us and the United States are different from the matters that should be discussed between us and the South Korean authorities.

Improvement of DPRK-U.S. relations is one thing and North-South dialogue is another. The allegation that DPRK-U.S. relations can be improved only when North-South dialogue is achieved proceeds from a wicked motive to put the brakes on the progress in DPRK-U.S. relations by using North-South dialogue as an excuse.

The Japanese foreign minister's remarks uttered at a meeting with the vice foreign minister of Russia that it is desirable to hold dialogue between the North and South in order to ease tensions in Korea cannot but be considered a despicable act of fawning on the South Korean puppets.

Our position towards North-South dialogue is obvious and consistent. In other words, if the circumstances favorable for holding North-South dialogue are provided in South Korea, we will have dialogue at any time. However, such circumstances have not been provided in South Korea today. The world is well aware of this.

First of all, to hold North-South dialogue the institutional mechanism — that is, the physical (barrier), which is incompatible with dialogue — should be abrogated and removed in South Korea. It is indeed preposterous that the traitor Kim Yong-sam is calling for dialogue with us, leaving in South Korea intact the National Security Law, which prescribes the North, a dialogue partner, as the enemy. It is also indeed preposterous for him to ask to sit together with us face to face for talks after building the 240-kilometer concrete barrier that divides Korea in two.

Furthermore, North-South dialogue should become a dialogue for peace and reunification. However, the Kim Yong-sam ring is still arresting patriotic reunification figures even at this moment. Just a few days ago, the Kim Yong-sam ring demanded 12 years' imprisonment and 12 years' suspension of legal rights respectively for Chong Min-chu and Yi Hye-chun, young coeds in their twenties, who are called birds of hope for reunification.

It is only too natural that such a bitter enemy of reunification cannot become our partner for dialogue.

Furthermore, when all of the nation met the sudden unexpected incident, traitor Kim Yong-sam, far from expressing condolences for it, not only randomly perpetrated the fascist suppression of South Korean people who were going to visit the North to pay their condolences, but also aimed rifles at those of us who were in deep sorrow. We will never forget this brute-like act.

We will thoroughly remember this evil, wicked act by traitor Kim Yong-sam generation after generation.

If traitor Kim Yong-sam wants to hold dialogue with us he should abrogate the National Security Law, break down the concrete barrier, and apologize before all of the nation for the grave crime he committed when the fellow countrymen suffered the incident.

Calling for dialogue without doing these things cannot but be interpreted as a smart strategy for an insidious political aim. Traitor Kim Yong-sam has long since lost his qualification for dialogue because of the crimes he has committed. It is our firm will to achieve the country's reunification with our nation's own strength. No one can meddle in this.

North-South dialogue is not a matter that can be realized by someone's request or advice. Sovereign rights are the primary rule that should be observed without fail in international relations. No one can violate this rule.

Our country's reunification will be achieved independently without fail according to the three principles for national reunification, the 10-point program for great unity of the whole nation, and the reunification formula under a confederal system, which were presented by the Great Leader Comrade Kim Il-song.

DPRK: 25-26 Mar Military Activity In, Near DMZ Decried

*SK2803030196 Pyongyang KCNA in English
0234 GMT 28 Mar 96*

["Dangerous Military Provocation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — South Korean puppets brought a 90 mm recoilless gun and 12.7 mm machine guns into the Demilitarized Zone on March 26 and loaded them with live shells and bullets, levelling at People's Army soldiers and threatening their safety, according to military sources.

On the 25th and 26th heavy tank groups and 105 mm and 155 mm artillery groups of the puppet army fired hundreds of shells at the area adjacent to the Demilitarized Zone in Paju county, Kyonggi Province. Hundreds of puppet army soldiers deployed on heights adjacent to the Demilitarized Zone in Paju and Yonchon counties, Kyonggi Province, frantically fired about 1,500 bullets with 12.7 mm machine guns and automatic rifles under our nose.

On the 25th hundreds of puppet army soldiers armed with guns, machine guns and automatic weapons, some 20 armoured cars and about ten helicopter gunships launched a war game against the North.

If the bellicose Kim Yong-sam group ignite a war against the North, going against the desire of all the fellow countrymen for peaceful reunification, they will get a thousand-fold retaliative blow.

DPRK: ROK Defector Tak Yong-tae Welcomed in Pyongyang

SK2803120696 *Pyongyang KCNA in English*
1023 GMT 28 Mar 96

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — Pyongyangites from all walks of life today met to warmly welcome Tak Yong-tae who has come over to the northern half of Korea from South Korea.

Tak, 52, worked as president of the Singuk Corporation in Seoul and director of the Su Pok Textile Co., Ltd. and he was in France before defecting to the northern half of Korea.

He left his mother, son and daughter in South Korea.

An order of the DPRK and monetary prize were awarded to the defector and souvenirs handed to him at the meeting.

Vice-Chairman Sin An-pang of the Pyongyang Municipal Administrative and Economic Committee, in his welcome address said that Tak's defection to the northern half of Korea was an expression of his warm sympathy with the man-centred socialism of Korean style as well as a manifestation of his unshakable will to join in the sacred ranks of the people in the northern half of Korea who are advancing with confidence under the uplifted red flag.

In his reply, Tak Yong-tae said that while living in South Korea over the past 50 years, he witnessed the anti-social fascist politics of the successive rulers dependent on foreign forces, irregularities and corruption of those in power and the worst living conditions of the people caused by all sorts of social vices.

He went on to say that unlike the decadent and ailing society of South Korea, the northern half of Korea is an earthly paradise, a well-being society for the people the like of which cannot be found in any parts of the world.

He added that any formidable enemy will not dare pounce upon the army and people in the northern half of Korea because they are led by the Great General Kim Chong-il and they are ready to devote their lives to the general and the country and that the North will remain a most powerful country in the world forever.

DPRK: Chongnyon Youth's Ideological Education Stressed

962C0036A *Pyongyang NODONG SINMUN*
in Korean 9 Jan 96 p 5

[Article by Han Tong-song, head of a chair at the Korean University: "The Idea of Preparing the New Generation of Youths Solidly as Inheritors of the Revolution, and Its Brilliant Implementation in Chongnyon's Work"]

[FBIS Translated Text] United closely around the great leader [yongdoja] Commander Kim Chong-il, the people in our fatherland, particularly the youth, are currently on a solemn all-out march toward the goal of brilliantly fulfilling the revolutionary cause of chuche by holding the fatherly leader in high esteem as eternal leader of the party and the revolution, with welling pride and self-confidence in the wake of the 50th founding anniversary of the Workers of Korea [WPK], which they celebrated splendidly as a grand victor's festival.

Standing in the van of this historic march to make the country, our fatherland, richer and stronger under the leadership of the great commander are the youth vanguard 5 million strong. Raising high the revolutionary torch put in their hands by the great leader [yongdoja] Commander Kim Chong-il himself on the occasion of the 50th party anniversary, youths in our fatherland are launching as one into the struggle to brilliantly adorn the 50th founding anniversary of the League of Socialist Working Youths of Korea [LSWYK] as a grand political festival demonstrating the wholehearted unity of the youth vanguard rallied solidly around the commander.

Youths in Japan, though they reside in a foreign land, stand in the van of the struggle to advance the movement of Koreans in Japan as a chuche-oriented patriotic movement, by carrying it on from generation to generation, keeping in step with the solemn march of the youths in the fatherland. Upholding the great commander's historic message "On Developing the Movement of Koreans in Japan Onto a New, Higher Stage," Korean youths in Japan are putting all their youthful passion into the sacred struggle to strengthen and develop the General Association of Korean Residents in Japan as the great leader Commander-in-Chief Kim Il-song's eternal overseas organization and reform the movement of Koreans in Japan to suit the demands of the new transitional period by carrying on the traditions of the preceding generations before them.

Prepared reliably as inheritors of the revolutionary cause of chuche and as a youth vanguard infinitely loyal to the party and the revolution, youths in our fatherland are securely preserving and glorifying the socialist cause

pioneered by the first-generation revolutionaries and inherited and developed by the second-generation revolutionaries. Keeping in step with them, Korean youths in Japan are growing as third- and fourth-generation patriots to carry on the movement of Koreans in Japan from generation to generation and as Chongnyon's reserve personnel even under the difficult and complex situation in their foreign country. This represents a brilliant fruition of the respected and beloved Commander Comrade Kim Chong-il's idea of preparing the youth of the new generation as stalwart inheritors of the revolution.

The great leader [yongdoja] Comrade Kim Chong-il, through his energetic ideological and theoretical activities to ceaselessly deepen and develop the chuche ideology founded by the great leader, comprehensively elucidated theoretical and practical problems arising in preparing the youth of the new generation as stalwart inheritors of the revolution.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Inasmuch as the self-dependence cause of the masses continues from generation to generation, its ultimate victory depends on how fully we prepare the youth who will become the next generation of the leading force of the revolution as inheritors of the revolution.

The respected and beloved Commander Kim Chong-il elucidated that the growing young generation have their position and role as future inheritors of the revolution.

Youths are full of youthful vigor, courageous, sensitive to the new, full of an enterprising spirit, love justice and truth, and are ready to jump into fire and water and sacrifice themselves to fight for justice and truth. They play an important role in the revolution and construction due to those fine characteristics.

The revolution is a sacred cause to bring the independent stand and attitude of the masses into reality; it does not end in one generation, but is brought to consummation by continuing from generation to generation. In the sense that it is completed by carrying on from generation to generation, the revolution may be said an endless process of generational change. That is why apart from the growing new generation there can be no progress in the revolution, nor its ultimate victory.

When the youth securely carry on the bloodline of the revolution, the revolutionary cause explored by the leader can be preserved securely and brought to ultimate consummation. Otherwise, complications and failures will become inevitable, dooming the cause of socialism in the end. This is clearly illustrated by the fact that many former socialist countries failed to bring up their youth as inheritors of the revolution while building

socialism; and as a result, their youth got entangled in the antisocialist maneuvers of the betrayers to the revolution and led the van in revolt against socialism, ignoring the parties which had given them their political lives, and the socialist system which had brought their rewarding lives into bloom.

On the basis of a scientific elucidation of the position and role of the youth as inheritors of the revolution, the great commander outlined tasks and methods for bringing up all youths as a genuine youth vanguard sharing the same fate with the party and as reliable pillars of society fighting staunchly for the victory of socialism, by stepping up their ideological education and training them in organizational life and tough practical struggle.

The respected and beloved Commander Kim Chong-il's idea of preparing the youth of the new generation as stalwart inheritors of the revolution has brilliantly solved the youth problem in our country in accordance with the demands of our revolution which is in a historical period of transition; and accordingly, it can serve as an ideological and theoretical weapon enabling us to carry on the revolutionary cause of chuche from generation to generation through to completion.

The great leader [yongdoja] Commander Kim Chong-il—who cares about the Korean compatriots in Japan far away from the fatherland and always leads them by hand on the one road of patriotism by illuminating the road ahead for Chongnyon—presented the idea of bringing up the Korean youth in Japan as stalwart inheritors of the patriotic cause, by brilliantly applying his idea of preparing the youth of the new generation as inheritors of the revolution in Chongnyon's work.

The great leader [yongdoja] Commander Kim Chong-il pointed out as follows: "Chongnyon must pay profound attention to its work with the new generation of young compatriots, who are the ones who will take over the movement of Koreans in Japan and become the masters of the future. How the bloodline of the movement of Koreans in Japan will be passed on from generation to generation depends on how the young compatriots are raised."

The respected and beloved Commander Kim Chong-il elucidated, above all, the importance of work with youths in Chongnyon work for the first time, in line with the demands of the developing realities wherein the question of inheriting Chongnyon's patriotic cause is arising as a serious and pressing issue, primarily because of the effects of the rapidly changing international situation, the generational change, and the change in the job composition of Korean compatriots in Japan.

The Korean youth in Japan are the future inheritors of the movement of Koreans in Japan and its future masters. The bloodline of the patriotic cause is succeeded by the young compatriots of the growing generation, and Chongnyon's future depends on the way the youth are prepared. The founding of Chongnyon and its glorious history of strengthening development are unthinkable apart from the contribution the patriotic Korean youths in Japan have made. The present Chongnyon functionaries and the masses under Chongnyon leadership are the ones who embarked upon on the road of patriotism when they were young.

Under the circumstances when third- and fourth-generation youths have emerged as leading forces in Chongnyon's patriotic work due to generational change, work with youths has become an important matter affecting Chongnyon's future and the fate of the Korean race in Japan. Now the Korean youths in Japan, unlike the first-generation compatriots, have grown in a relatively favorable environment, never directly experiencing the kind of life stateless people would endure.

That is why work with Korean youths in Japan is really an important work, of strategic significance in Chongnyon's activities.

On the basis of the elucidation of the importance of work with Korean youths in Japan, the respected and beloved Comrade Kim Chong-il set forth the policy calling for putting great efforts into indoctrination work for broad sections of young compatriots, in all strata in Japan, to mold them into patriots.

Molding Koreans youths into patriots means making them true patriots having the *chuche* view of the world. In other words, it means bringing up Korean youths in Japan as the kind of youths who always think about their nation and work for the good of their fatherland, even though they live in a foreign country.

The respected and beloved Commander Kim Chong-il clarified in concrete terms the substance, form, and method of ideological education aimed at bringing up Korean youths in Japan as stalwart inheritors of the patriotic cause.

A basic requirement in the ideological education of Korean youths in Japan is firmly establishing the *chuche* view of the world. Only by establishing the *chuche* view of the world is it possible for them to act with a firm determination to preserve national dignity and fight for the good of their fatherland and maintain their patriotic integrity without wavering under any adverse circumstances. For the purpose of establishing the *chuche* view of the world firmly among the Korean

youth in Japan, it is essential to intensify their education in the *chuche* ideology so that they may thoroughly master the principles of the *chuche* ideology and have a correct outlook on life.

Another important thing in the ideological education of Korean youths in Japan is education in the love of the nation, the love of the fatherland. The movement of Koreans in Japan is a patriotic movement; and bringing up Koreans in Japan as inheritors of the patriotic cause means, in the final analysis, making the growing new generation value their nation and love their socialist fatherland. For the education of Korean youths in Japan in the love of the nation and the love of the fatherland, it is essential to step up education aimed at heightening their national pride and to properly carry out their education regarding their socialist fatherland. At the same time, it is necessary to lead them to live by relying on Chongnyon organizations, regarding them as the surrogate mothers acting on behalf of the fatherland.

The education of Koreans in Japan should be conducted in a substantive manner in various modes and methods adapted to their individual characteristics and the degree of their preparedness. The modality and methodology of the education of Korean youths in Japan should be selected stratum by stratum to suit the environment in Japan, the actual condition of Chongnyon, and the characteristics of each stratum of Koreans in Japan.

The respected and beloved Commander Comrade Kim Chong-il taught in particular that to bring up Korean youths in Japan as stalwart inheritors of the patriotic cause, the Korean University, the training base for future Chongnyon cadres, should center its attention on arming its students politically and ideologically and raise them well during their college days as true patriots and determined youths holding the *chuche* views of the world, the leader, the nation, and the fatherland as their outlook on life.

The precept given by the great commander is a programmatic guiding principle in the work of the Korean University illuminating its mission and basic directions for discharging this mission—the mission to educate and train not only Chongnyon functionaries and the masses in general but also key personnel who will actively strive to bring up the growing generation as patriots in every sector and unit and take the lead in solving the question of carrying forward the patriotic cause from generation to generation.

Owing to the veracity and vitality of the great leader [yongdoja] Commander Kim Chong-il's outstanding ingenuity in brilliantly applying his idea of bringing up youths as inheritors of the revolution in Chongnyon's work, we are effecting a new turnaround in our task to

bring up Korean youths in Japan as inheritors of the patriotic cause.

Ideological work designed to mold Korean youths into patriots has been intensified in diverse forms and by up-to-date methods according to their tastes and characteristics, the actual conditions, and the degree of preparedness; and youths in their prime are emerging as reserve personnel to succeed the preceding patriotic generations, and their ranks are growing daily.

The Korean University was founded 40 years ago as a training base for Chongnyon's national cadres under the great idea of the fatherly leader and has followed the one road of victory and glory under the tender care of the great commander. In these 40 years the school has turned out numerous Chongnyon reserve personnel, who sowed the seeds of patriotism and are now tending the lush fields of patriotism all over Japan, from Hokkaido in the north to Okinawa in the south. Korean University graduates have grown into a new generation of youths in recent years particularly under the warm love and solicitude of the respected and beloved Commander Kim Chong-il. Steadfastly keeping faith with the great commander and always sharing the same fate with their socialist fatherland, they are now performing youthful exploits in the van of the sacred struggle to preserve and develop Chongnyon's patriotic cause, without wavering in the least, even under the rapidly changing world situation and in the face of ever intensifying oppressive machinations of the enemies within and without. Under the slogan "Let us become patriotic youths sharing the same fate with our country, our fatherland!" Korean University students are staunchly preparing themselves as *chuche*-type talented patriots who hold the *chuche* views of the world, the leader, the country, and the nation as their outlook on life, and also preparing themselves as eternal companions of the *chuche* Korea whose hearts always beat in tune with their country, their fatherland, and burn with patriotism to work for the good of their country and nation, although their bodies dwell in a foreign land. In the high-spirited features of these students who are reliably carrying the lineage of patriotism and our national lineage, in spite of all kinds of maltreatment and persecution in the harsh environment of a foreign soil, people see with wonder the vitality of the great commander's thought and leadership and the more dazzling future of Chongnyon and the movement of Koreans in Japan.

The movement of Koreans in Japan has been advanced by the first generation and the succeeding second generation, who have adorned Chongnyon's 40-year journey with their patriotism since its founding. The movement is now in a new stage where the third and fourth generations should take over and develop it, with

the youth playing the leading role. How new-generation Korean youths add glory to the achievements made by the generations before them through an arduous struggle from generation to generation, and how to reform, deepen, and develop the patriotic cause to suit the demands of the transitional period is a historic issue affecting the fate of Chongnyon and the movement of Koreans in Japan.

Upholding the great leader [yongdoja] Commander Kim Chong-il's idea of bringing up Korean youths in Japan as reliable inheritors of the patriotic cause, we will completely mold the students of the Korean University and other new-generation Korean youths in Japan into patriots, and solidly prepare them as true patriots and stalwart youths sharing the same fate with their country, their fatherland. By doing so, we will make the fatherly leader's immortal leadership achievements in the movement of Koreans in Japan continue to shine for millenniums to come and strengthen and develop Chongnyon as the great Commander-in-Chief Kim Il-song's eternal organization of overseas Koreans by seeing that it succeeds from generations to generation.

**DPRK: Tokyo-Pyongyang Friendship Society
Inaugurated**

SK2703092196 Pyongyang KCNA in English
0915 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 [date as received] (KNS- KCNA) — An inaugural meeting of the Tokyo-Pyongyang Society for Friendship and Exchange was held in Tokyo on March 19.

The society consists of the Tokyo Metropolitan Assemblymen's League for the Promotion of Friendship Between Japan and the DPRK, the Tokyo Metropolitan Association of the General Federation of Trade Unions of Japan, the Japan-Korea Society for Cultural Exchange, the Santama Society for Japan-Korea Friendship, the Sinagawa District Assemblymen's League for the Promotion of Friendship Between Japan and the DPRK, 20 other district assemblymen's leagues and figures of various social strata.

Yoshio Utagawa, chairman of the Tokyo Metropolitan Assemblymen's League for the Promotion of Friendship Between Japan and the DPRK, and Takao Morikawa, vice-chairman of the Tokyo Metropolitan Association of the General Federation of Trade Unions of Japan, were elected co-chairmen of the society.

DPRK: Japanese, Asian Softball Delegations Arrive
SK2603111296 Pyongyang KCNA in English
1032 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — A Japan-Korea friendship delegation of assemblymen from various parties in Aichi Prefecture led by Noriyuki Takahashi, vice-chairman of the Aichi Prefectural Office of the Liberal Democratic Party, and Secretary General of the Amateur Softball Association of Asia Abdul Aziz Bin Abu Talib arrived here today.

DPRK: Anti-Japanese Fighters 'Forerunners' of Revolution

SK2803121396 Pyongyang KCNA in English
0948 GMT 28 Mar 96

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — In Korea anti-Japanese revolutionary fighters have been respected as forerunners of the revolution.

It is because they participated in the anti-Japanese revolutionary struggle organized and led by the Great Leader President Kim Il-song and devoted their all to the sacred cause of national restoration and happiness of posterity.

The Great Leader Comrade Kim Chong-il said:

"Our revolutionary forerunners gave their lives unhesitatingly in the fight and made precious achievements for the country, the people and the happiness of the coming generations, not for the sake of personal interest or honour."

In the most grim period when the country was under the rule of the Japanese imperialists, the young communists of Korea acclaimed President Kim Il-song in the centre of unity and leadership and devotedly fought for the independence of the country and an ideal society of the masses.

Kim Hyok, Cha Kwang-su, Choe Chang-kol, Kim Yikap, Yi Che-u and other young communists were true revolutionaries who fought for the prosperity of the coming generations and future of mankind, not for themselves.

So the revolutionary forerunners, when they formed the Down-With-Imperialism Union (DIU) on October 17, 1926, set it as its final goal to build socialism and communism.

In setting this goal they did not think that they would be able to live in a future communist paradise.

Most of them devoted their springtime and lives in the course of carrying into practice the action programme of the DIU.

The revolutionary forerunners, who dedicated their youth, lives and families to the future of the revolution, were all ardent optimists.

Among them was Choe Hui-suk, an indomitable woman revolutionary who fought against the Japanese imperialists until the last moments of her life, with the firm faith in the victory of the revolution.

It was in February, 1941 when she was arrested by the Japanese imperialists.

She did not yield to their torture, appeasement and honeyed words. Raged at this, the enemy brutally pulled out her eyes.

However, she shouted, making the enemy shudder, "I have no eye, but see the victory of revolution, the day when the cheers of the thirty million people burst out in the liberated country."

An anti-Japanese revolutionary fighter, Ma Tong-hui, when he was arrested by the enemy, cut off his tongue with his teeth to keep secret about the headquarters where President Kim Il-song worked, and left words "Long live the Korean revolution!" at the last moment of his life.

Pak Kil-song, who was a detachment commander of the Korean People's Revolutionary Army, left his ardent request "Love the future!", hoping for the eternal happiness of the coming generations, when he went to the place of execution.

In fact, the socialist system prospering and developing as it is today in Korea could be established by the noble self-sacrificing spirit and indomitable struggle of the anti-Japanese revolutionary fighters, the first generation of the Korean revolution.

The Korean people erected statues of revolutionary forerunners in different parts of the country and named schools, cities and factories after them to hand down to posterity their feats. They have set up the splendid revolutionary martyrs' cemetery where busts of fighters are placed, on Chujak peak at the scenic mountain of Taesong in the capital city of Pyongyang.

DPRK: King of Cambodia Meets With WPK Delegation

SK2703032196 Pyongyang KCNA in English
0248 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — King Norodom Sihanouk of Cambodia expressed support to Korea's cause of socialism on Monday when he met a delegation of the Workers' Party of Korea [WPK].

The king said he wished the great leader Comrade Kim Chong-il a long life in good health and a great victory in honoring the internal and external prestige of the DPRK.

He has always and wholeheartedly honored the memory of his excellency [H.E.] the great leader Generalissimo Kim Il-song with high respect and deep reverence, he said. "He is always in my heart."

"I express deep thanks to H.E. the great leader Generalissimo Kim Il-song and H.E. the great leader Marshal Kim Chong-il for having shown disinterested aid, warm benevolence and solicitude for me and the Cambodian people," he added.

"I sincerely hope," the king said, "H.E. Marshal Kim Chong-il will wisely lead the Korean socialism under the uplifted banner of the *chuche* idea and thus glorify Korea as an independent and nonaligned country as it was when H.E. Generalissimo Kim Il-song was alive."

DPRK: Kim Yong-sun Attends Reception for French Delegation

SK2803031796 Pyongyang KCNA in English
0235 GMT 28 Mar 96

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — The Korean Asia-Pacific Peace Committee gave a reception for the visiting French delegation at the Mansudae Assembly Hall on Wednesday.

Invited to the reception were members of the delegation led by General Jeannou Lacaze, president of the Union of Independentists of France and chairman of the Association for the Promotion of Relations between Europe and the DPRK who is former chief of General Staff of the French Armed Forces.

Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea and chairman of the committee, and other officials concerned were present.

Speeches were made at the reception.

DPRK: WPK Central Committee Secretary Meets French Delegation

SK2703104796 Pyongyang KCNA in English
1010 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, today met and had a talk at the Mansudae Assembly Hall with the French delegation led by General Jeannou Lacaze [spelling of name as received], president of the Union of Independentists of France and chairman of the Association for the Promotion of Relations Between

Europe and the DPRK who is former chief of General Staff of the French Armed Forces.

DPRK: Bulgarian, Pakistani Party Leaders Support Peace Plan

SK2303044296 Pyongyang KCNA in English
2205 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — Political party leaders of Bulgaria and Pakistan voiced support to the new peace proposal of the Democratic People's Republic of Korea, when they met the DPRK ambassadors to their countries on March 12.

Boris Petkov, chairman of the Executive Council of the C.C. [Central Committee], the Bulgarian Communist Party (Marxists), said the DPRK's new proposal for peace-keeping mechanism was an epoch-making one for easing tension and achieving peace on the Korean Peninsula.

Chaudhry Hamid Nasir Chattha, president of the Pakistan Muslim League, supported the constructive and just proposals offered by the DPRK to relax tension and prevent war on the Korean Peninsula.

DPRK: Kang Song-san Sends Message to Bangladesh Prime Minister

SK2703031096 Pyongyang KCNA in English
0243 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Kang Song-san, premier of the Administration Council, sent a message of greetings to Khaleda Ziaur Rahman, prime minister of Bangladesh, on the occasion of the independence day of Bangladesh.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop on good terms and wished her great success in her responsible work.

DPRK: Overseas Parties Express Solidarity With Socialism

SK2703090996 Pyongyang KCNA in English
0858 GMT 27 Mar 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Party leaders of different countries expressed their full support and solidarity for the Korean people's cause of socialism.

Narayan Man Bijukchhe, chairman of the C.C. [Central Committee], the Nepal Worker-Peasant Party, said when he met a Korean trade union delegation on March

19 that the Democratic People's Republic of Korea is achieving a greater development in industry, agriculture, national defence and all other fields, with a strong, independent national economy.

Korea is a power of politics and ideology, he praised.

Alberto Anaya Gutierrez, member of the Coordination Commission of the National Political Committee of the Mexican Workers' Party, said when he met the Korean ambassador on March 19: Korea, which is firmly defending socialism under the wise leadership of the great leader Comrade Kim Chong-il, has become a source of strength for the statesmen and people of the world aspiring after socialism.

L. Chandramun, president of the C.C., the Mauritius Communist Party, said when he met the Korean ambassador that the communists and progressives of the world are continuing their struggle, seeing socialist Korea as the beacon of hope, and regarding it as their internationalist duty to support and defend Korean socialism.

Rolf Hagel, chairman of the Communist Party of Sweden, said his party expresses full support to and solidarity with the Korean people in the efforts to accomplish the cause of *chuche* and achieve peace and reunification of the country.

DPRK: Russian Party Leader Praises Kim Chong-il Work

SK2703091896 Pyongyang KCNA in English
0911 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Oleg Shenin, chairman of the Council of the Union of Communist Parties- the Communist Party of the Soviet Union, published an article entitled "The Light of Socialism From Korea".

On the impact he felt reading the work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" published by the great leader Comrade Kim Chong-il in June last year, Oleg Shenin wrote in the article:

I, as one of those who experienced the historical tragedy of the dissolution of the party which was the first to build socialism, accepted the precious propositions and theoretical conclusions made by Comrade Kim Chong-il in the work, as the most reasonable and greatest ones.

Comrade Kim Chong-il clarified in the work that if it secures ideology, socialism will triumph and if it loses ideology, socialism will go to ruin. This proposition was an irrefutable truth proven by the stark realities of history, and it was the idea that seized the minds and

hearts of communists the world over and gave a new vigor to them.

After the publication of this work, the 30th Congress of the Union of Communist Parties-the Communist Party of the Soviet Union mainly stressed that a particular effort should be directed to ideological work, our idea and theory should be developed creatively in conformity with the realities and ideological unity of the party members be achieved in the light of the historical lessons.

Comrade Kim Chong-il is a great thinker of socialism and a prominent statesman who has won highest respect of us communists.

When I was staying in Korea, I visited Kim Il-song University. During the visit, I came to know that in his twenties Comrade Kim Chong-il criticised the limitation of the existing theories on socialism, decisively denying the immutability and stagnation of theory, and firmly defined the *chuche* idea as the guiding idea of the Korean revolution.

I have felt significantly that all his works indicating the path of socialism that our communists received recently are consistent with the profound philosophy of the *chuche* idea. He is a prominent theoretician who has shaped history with idea and who has developed the theory of communism in a most creative way.

The decades-long history of the communist movement and the present history of Korea show that only such a leader as Comrade Kim Chong-il, who has advanced the most correct guiding idea of the times, can defend and advance socialism and lead it to the final victory.

Indeed, the example of the successful building of socialism created by Comrade Kim Chong-il is the key to the success of the struggle of communists for the revival of the Soviet Union and the largest source of their spiritual energy, the author said.

DPRK: Kim Chong-il Sends Thanks to Soldiers for Farmwork

SK2803031396 Pyongyang KCNA in English
0231 GMT 28 Mar 96

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to soldiers of Kim Chong-kol unit of the Korean People's Army [KPA] for giving sincere help to cooperative farms in the area they are stationed and to Yi Chang-su, an officer of Yang Chun-tuk unit of the KPA, and his wife for displaying communist traits.

He also extended thanks to the family of Hong Pong-ho, head of a unit of Nampo Port, and Chon Yong-

ok, teacher of the Muksan Senior Middle School in Kyeung County, Kaesong, for doing good things for society and the collective.

DPRK Daily Cites Kim Chong-il on 'Love,' 'Trust'
SK2803121896 Pyongyang KCNA in English
0959 GMT 28 Mar 96

["Affection and Trust, Source of True Human Relations and Morality" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA) — NODONG SINMUN today runs a signed article captioned "affection and trust, source of true human relations and morality."

The article quotes the Great Leader Comrade Kim Chong-il as saying:

"Love for and trust in people are the basis of genuine human relations, the basis of human morality. Promoting the benefit of others rather than of oneself and working with devotion for one's society and collective are an expression of a person's noble morality."

The article further says:

Comrade Kim Chong-il expounded the idea that love for and trust in people are the basis of genuine human relations, the basis of human morality, love for and trust in people give birth to genuine human relations and morality. This means that genuine human relations and morality begin, grow strong and develop with love for and trust in people and that noble human relations and morality are unthinkable without love for and trust in people.

To begin with, love for and trust in people are the basis of genuine human relations.

If human relations are to be genuine, they should be based on love for and trust in people.

Love for and trust in people are the basis of genuine human morality as well.

Genuine human morality is communist morality, a morality that should be observed by all the people. Communist morality is, in essence, collectivist morality.

The collectivist morality defends independence and creativity, social attributes of man; it is based on comradeship and revolutionary obligation.

Genuine human relations and morality based on love for and trust in people are inseparable. Genuine human relations result in the prevalence of noble human morality, communist morality; genuine human morality leads to comradely relations, communist human relations.

The respected Comrade Kim Chong-il's idea is of great importance, the article says, and goes on:

Above all, a correct way of adopting genuine human relations and morality has been indicated with the basis of genuine human relations and human morality made clear.

The idea provides a basic guideline that should always be tackled in making people communists with genuine morality and fidelity and in making revolutionary human relations and morality prevalent in the whole society.

Next, the idea makes it possible to fully demonstrate the advantages of the Korean-style socialist system under which genuine human relations are established on the basis of love for and trust in people and to deal a decisive blow at the reactionary sophism of the imperialists and renegade socialists who are trying to conceal the reactionary nature of the capitalist system and arguing about its eternal nature with superclass love for man.

Money and power are the source of all human relations and morality in the capitalist society based on individualism. This makes it impossible to establish genuine human relations and morality in the capitalist society.

DPRK: Foreigners Visit President Kim Il-sung Statue

SK2703031396 Pyongyang KCNA in English
0246 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Foreign visitors called at the statue of the great leader President Kim Il-sung on Mansu Hill as soon as they arrived here on Tuesday.

They were a French delegation headed by General Jean-nou Lacaze, President of the Union of Independentists of France and chairman of the Association for the Promotion of Relations Between Europe and the DPRK who is former chief of general staff of the French Armed Forces, a delegation of the China Youth College for Political Sciences led by its Vice-President Jiu Shuguang, a Japan-Korea friendship delegation of assemblymen from various parties in Aichi Prefecture led by Noriyuki Takahashi, vice-chairman of the Aichi Prefectural office of the Liberal Democratic Party, and secretary general of the Amateur Softball Association of Asia Abdul Aziz Bin Abu Talib.

The visitors laid floral baskets and bouquets and made bows before the statue.

DPRK: Kim Il-song Relics Displayed at Revolution Museum

*SK2703091396 Pyongyang KCNA in English
0904 GMT 27 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — Valuable revolutionary relics showing the noble popular traits of the great leader President Kim Il-song were displayed additionally at the Korean Revolution Museum.

Among those relics are a folding table, a swivel chair, a collapsible table and a folding swivel chair, which President Kim Il-song used so often when he gave on-site guidance to different sectors of the national economy and presided over consultative conferences in the period from the 1970s to the 1990s.

President Kim Il-song devoted his all to the prosperity and development of the country and to the happiness of the people, finding himself among them, with the idea "the people are my god" as his maxim.

The great leader Comrade Kim Chong-il, fathoming the people's yearning for the president, saw to it that those relics were displayed at the Korean Revolution Museum.

DPRK Article Stresses People, Party Unity

*962C0025A Pyongyang NODONG SINMUN
in Korean 3 Dec 95 p2*

[Article by Pak Nam-chin: "Forming a Complete Unity with the Masses of People Is the Nature Inherent in the Party of the Great Comrade Kim Il-song"]

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il, in his classic work "The Workers Party of Korea (WPK) Is the Party of the great leader Comrade Kim Il-song," elucidated that forming a complete unity with the masses of people is the nature inherent in the party of the great leader Comrade Kim Il-song.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"Loving the people, serving the people, and forming a complete unity with the people, is the nature inherent in, and the basic feature of, the party of Comrade Kim Il-song."

A complete unity with the masses of people is the intrinsic demand of a working-class party and the source of its invincible might. For the party to form a complete unity with the masses of people means that it takes root deep among the masses of people, and bands the masses together solidly around the party, bringing them to breathe and move in tune with each other, and to share the fate with each other. The working-class party,

unlike a bourgeois party representing the interests of the exploiting class, a minority, struggles to protect the interests of the broad masses of people, including the working class. It also executes the revolution and construction by organizing and mobilizing the broad masses of people. In the building of the working-class party, it is especially significant for the party to form kindred ties with the broad masses of people and to take root deep among the masses. Only a party that always enjoys the support and confidence of the masses and knows how to organize and mobilize them can display an invincible power and acquit itself fully of its mission as the staff headquarters of the revolution, and as the political helmsman of the masses of people.

Ties with the masses is a particularly important issue for a ruling party. A party may take power but that alone does not mean that the issue is resolved automatically. Even with a ruling party, if it fails to conduct the party-building and party activities correctly, it will be removed from the masses, losing their support and confidence, and eventually the existence of the party itself will be endangered.

The great leader Comrade Kim Il-song early on set forth as one of the basic principles of party-building to form a complete unity with the masses of people. On that principle, he endeavored to develop and solidify kindred ties between the party and the masses. Since the first day he began leading the party work, the respected and beloved Comrade Kim Chong-il, succeeding to the great leader's ideology and achievements in the party-building faithfully, has strengthened and developed our party into an invincible, militant party, pushing its roots deep among the broad masses, and enjoying the absolute support and confidence of all the people.

In our country today, the WPK stands firmly in the center of the revolutionary ranks, while the masses of people, who fought through the storms of the revolution, casting their lot with the party, are firmly united around the great leader [yongdoja] in one and the same mind. Our people are the most revolutionary people brought up by the respected and beloved leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il; they are a great people who have taken on noble ideological and mental features under the benevolent government of our party and the socialist system of our country. Our party firmly trusts our people, who are infinitely faithful to the party, and the revolution, while our people see only the WPK as their political helmsman and entrust it with their destiny and future entirely. The party founding 50th-anniversary celebrations held some time ago painted a proud picture of our people powerfully demonstrating their rock-firm confidence and will as they follow the leadership of the

great commander-in-chief [changgun-nim] Kim Chong-il. They are flying the red flag of revolution and are determined to share their fate with the party forever. The kindred ties and the complete unity between the party and the masses, with the party trusting the people and the people upholding the party with absolute confidence, is precisely the true nature and the basic feature of our party that shines with the revered name of the great leader Comrade Kim Il-song.

Many long years have elapsed since the first working-class party came on the stage of history, but no revolutionary party has ever taken root so deeply among the masses and formed so complete a unity with the people as our party has. It is the immortal achievements of the great leader and the respected and beloved Comrade Kim Chong-il, with their infinite love and trust for the people, that built the invincible party that forms a complete unity with the masses of people. While continuing to fill their hearts with infinite adoration for the Fatherly Leader, our people feel more keenly about the greatness of the sagacious leadership and the immortal achievements of the great leader and the respected and beloved commander in chief, who strengthened and developed our party into a revolutionary party of *chuche*, forming a complete whole with the masses of people.

The complete party-people unity that has firmly been established in our country is, above all, the result of the great leader Comrade Kim Il-song's having built our party as a genuine mass party of the working masses.

In order for the working-class party to form a complete unity with the masses of people, it should be built as a mass party embracing all the advanced elements of every working class and stratum. Only when the working-class party is built as a mass party, embracing not only the working class but also farmers and intellectuals as its components, can it take root deeply among the masses as the spearhead representing the interests of the broad masses.

The great leader set forth, and brilliantly carried out, the line of building a mass party of the working masses consisting of workers, farmers, and working intellectuals, correctly reflecting the basic interests of the working class and other working masses and the demands of the age of self-dependence, and based on the actual conditions in our country. The nature of our party as a mass party is vividly displayed in its symbol showing hammer, sickle, and writing brush symbolizing worker, farmer, and working intellectual respectively. No working-class party in the past ever showed a writing brush along with a hammer and sickle on its flag. The flag of our party showing a hammer and sickle and a

writing brush is the brilliant symbol of the revolutionary party of the age of self-dependence, the first in history; it is the banner of solidarity and victory of the masses of people who are working out their destiny self-reliantly.

Embracing advanced elements of workers, farmers, and working intellectuals widely in the party in accordance with the line of building a mass party, and thereby correctly combining the numerical growth and qualitative consolidation of its ranks, our party has expanded and strengthened with no letup while adhering steadfastly to its working-class, revolutionary nature. The line of building a mass party has been carried through thoroughly and, as a result, our party has been consolidated politically and ideologically, and strengthened and developed as a genuine mass party deeply rooted among the broad masses. It is the brilliant fruition of this party-building line that our party has strengthened and developed as an invincible party enjoying the absolute support and confidence of the masses, and that the party and the masses have been combined into one sociopolitical life sharing the same destiny to form the powerful *chuche* of the revolution.

The complete party-people unity established in our country is also the result of the great leader Comrade Kim Il-song and the respected and beloved Comrade Kim Chong-il having sagaciously led our party to acquit itself fully of its basic duty as the motherly party committed to look after the destiny of the people.

In order for the working-class party to form a complete unity with the masses of people, it has to become a motherly party committed to look after the destiny of the masses and leading them. When the party becomes a motherly party holding the masses dear and loving them deeply, the relationship between the party and the masses can be lifted above that of the leader and the led, and into the firmest and mightiest kindred ties between the giver and the receiver of life, or the trustee and the truster of destiny.

The respected and beloved leader Comrade Kim Il-song was a great leader and the father of the people. The great leader held dear and loved our people infinitely; he firmly trusted their strength, wisdom, and admirable disposition, and he relied on the masses in dealing with all problems. If you trust and rely on the people, you always win; if you distance them and are forsaken by them, you are bound to lose — this was the-people-are-God ideology that the fatherly leader had as his motto. It became the fundamental starting point and the highest principle governing all activities of our party.

The respected and beloved Commander-in-Chief Kim Chong-il has sagaciously led our party to thoroughly embody in all its activities the lofty ideology and

revolutionary method of leadership of the great leader who saw the people as God. That the party should become a mother who leads the masses of people committed to look after their destiny is a principle of party activity originally put forth by the great commander in chief.

Under the sagacious leadership of the great leader and the respected and beloved commander in chief, our party has commendably fulfilled its basic responsibility as a motherly party committed to look after the destiny of the people. Putting the masses of people in the forefront as its teachers, it always has placed itself among the masses, listening to their voices, reflecting their demands and interests in its lines and policies. Every policy it has put into effect was dedicated to their interests and happiness. The revolutionary economic strategy, a major strategy currently being pursued by our party, also shows the ardent love and solicitude of our party for further improving their material and cultural livelihood. Our party has not only established its lines and policies by synthesizing the will and demands of the people but also carried them out by mobilizing their strength and wisdom. In its party work, our party is directing its foremost attention to matters about the people's political life; as a mother does about her children, it treasures the political lives of people, and leads people to add luster to their political lives infinitely. At the same time, it has directed profound concerns to their material and cultural livelihood, struggling devotedly to provide a more affluent and civilized life. Our party has seen to it that all its functionaries are aware that they are servants of the people, that they devote themselves to better serving the people, and that they take on the popular traits of simpleness, modesty, fairness, and integrity.

With our party built as a motherly party committed to look after the destiny of the people now, a government of benevolence—government of love and trust for the people as espoused by the fatherly leader and the respected and beloved commander in chief—has been brilliantly embodied, and the party-people relationship has become that of the trustee and truster of destiny, namely, the relationship between the political protector and warrior, and the kindred relationship between the mother and her children.

Today our party has strengthened and developed into an invincible revolutionary party forming a complete unity with the masses of people, and this fact is, in its entirety, the brilliant fruition of the sagacious leadership of the great leader and the respected and beloved Comrade Kim Chong-il, who has built the party into a genuine mass party of the working masses, and who has led it to successfully fulfill its mission and basic duty as a

motherly party committed to look after the destiny of the people.

Our party will further consolidate the complete unity of the party and the people like bedrock and, by doing so, resolutely defend, and brilliantly carry forward and develop, the immortal achievements of the respected and beloved leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il. And with the might of the wholehearted party-people unity, it will push the socialist cause of chuche through to the end to its summation.

DPRK Article Highlights Ideological Education

962C0025B *Pyongyang NODONG SINMUN*
in Korean 10 Dec 95 p 2

[Article by Pak Nam-chin: "A Scientific Elucidation of the Characteristics of the Socialist Ideological Remolding Process"]

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il, in his classic work "To Give Priority to the Ideological Work Is an Indispensable Requirement for the Fulfillment of the Socialist Cause," gave an in-depth elucidation of the characteristics of the socialist ideological indoctrination process.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"To think that socialist reform of the material and economic conditions of society will be automatically followed by socialist remolding of the ideological consciousness of people is a mistaken view that conflicts with the intrinsic nature and characteristics of the socialist ideology and the socialist ideological remolding process."

The socialist society develops with the socialist ideology as its basic driving force. Unlike the capitalist society in which money is everything, the socialist society develops by the conscious activities of people armed with the socialist ideology. Herein lie the essential characteristics of the socialist society. If the working-class party is to accelerate socialist construction successfully, it has to conduct the ideological work energetically and arm the masses of people firmly with the socialist ideology.

That the working-class party in the struggle for socialism should conduct the ideological work and arm the masses with the socialist ideology goal-consciously and energetically is an important requirement originating in the characteristics of the socialist ideological remolding process.

The socialist remolding of people's ideological consciousness is neither an automatic nor a smooth process.

The socialist ideology is basically different from all old ideologies based on individualism; it is a new, advanced ideology. The socialist ideological remolding is an ideological revolution effecting fundamental change in the people's ideological life. And it can be carried out only through the goal-conscious ideological indoctrination work and the ideological struggle of the working-class party.

The characteristics of the socialist ideological remolding lie, first of all, in that it can be carried out only through the goal-conscious ideological indoctrination work of the working-class party aimed at arming people with the advanced socialist ideology.

The socialist system can be established and the necessary material and economic conditions created, but that alone does not mean that the socialist ideological remolding of people would come by itself. The consciousness of man indeed reflects objective reality, but how he reacts to it depends on himself, and on how well prepared he is. Man sees, hears, feels, and reacts just as much as he knows. What type of ideological consciousness people will have, and how it will change and develop, depend on how well prepared they themselves are, on what activity they are in, and on what ideological influences they are subject to. Not everyone with a working-class background has a revolutionary ideology; likewise, not all with propertied-class backgrounds are disqualified to be revolutionaries. Anybody can become a revolutionary when awakened ideologically and put to a great deal of revolutionary influence. This, in short, tells us that the ideological consciousness of people is not fully determined by their socioeconomic status and material living conditions, and that change in the socioeconomic status and material living conditions does not mean an automatic reform of their ideological consciousness. The socialist system can be established and the socioeconomic foundations that produced the old ideologies can be stamped out, but that alone does not mean that the ideological consciousness of people will automatically be remolded in the socialist fashion. If we fail to push, energetically and goal-consciously, the ideological indoctrination work and arm people with the socialist ideology, their ideological consciousness cannot be remolded in the socialist fashion, even if the socialist system has been established and the necessary material and economic conditions created. Only through the ideological indoctrination conducted goal-consciously can people master the socialist ideology and build it into their faith. Herein lies one of the major characteristics of the socialist ideological remolding process.

Another characteristic is that it is a difficult and complicated process involving a struggle against all old, reactionary ideologies.

Inasmuch as the socialist ideology is the most revolutionary ideology to protect and realize the independent stand and attitude of the masses of people, it serves as a powerful ideological weapon acceptable to all the people. This, however, does not mean that it can be implanted in their minds with no difficulty. Needless to say, a great ideology has a great traction worthy of it. Nevertheless, it is by no means an easy job to bring people to accept the socialist ideology.

It is true that the socioeconomic foundations, having produced the old ideologies, are gone once the socialist system is established, but vestiges of individualism and other old ideologies remain in the minds of people for a certain period of time. Individualism is an extremely persistent and conservative ideology deeply seated in people's consciousness, customs, and lives. Even in the socialist society, individualism and other old ideologies do not readily disappear; if the condition permits, they can revive through the tiniest crack and spread all over. The socialist ideological remolding is conducted not only under the circumstances where individualism and other old ideologies—the legacies of the exploiting society—still remain in the minds of people, but also in an environment where bourgeois ideologies and all reactionary ideologies are watching for a chance of infiltration. Imperialists are ceaselessly maneuvering to poison other peoples ideologically through their ideological and cultural infiltrations to cause their countries to disintegrate from within, and to place those countries under their rule and control. Ideological and cultural infiltrations are a means for imperialists to mount aggression and interference under the cloak of "cooperation" and "exchange." They are a vicious method for them to paralyze the ideological consciousness of people with the toxin of reactionary, bourgeois ideologies, corrupt and deprave them, and to disintegrate them from within. At a time when old ideologies remain in the minds of people in the socialist society, and when the infiltrations and influences of reactionary ideologies from outside continue with no letup, it is impossible to arm people with the advanced socialist ideology apart from the struggle against old, reactionary ideologies.

The ideological theory in the classic work concerning the characteristics of the socialist ideological remolding process represents a correct ideology reflecting the practical experience of our revolution and the historical lesson of the collapses of socialism in some countries.

In the past period, the ruling parties in some socialist countries routinely approached to the thesis based on the materialistic interpretation of history that social consciousness is defined by material and economic conditions of society, and that as material and economic conditions change, social consciousness also changes

accordingly. They thought that as the socialist system is established and the material and economic conditions improve, the ideological consciousness of people would also change accordingly. Consequently, they paid no particular attention to the ideological indoctrination work. Thus, they failed to correctly fulfill the task of remolding the ideological consciousness of the masses of people in the socialist fashion, which is the most important task deciding the outcome of socialist construction. Eventually, in those countries, socialism was deprived of its driving force. Betrayers of socialism on one hand abandoned the ideological indoctrination work for arming the people with the socialist ideology, and on the other created ideological confusion among people under the slogans of "openness" and "pluralism," opening the door completely to the infiltrations of bourgeois ideologies and culture. The course of disintegration of socialism in various countries clearly shows that the socialist ideological remolding can be carried out successfully only through the goal-conscious ideological indoctrination work of the working-class party and through the uncompromising ideological struggle against all old, reactionary ideologies.

Based on its chuche-oriented viewpoint for the characteristics of the socialist ideological remolding process, our party has directed due attention to the ideological work, and pushed it ahead unceasingly as the socialist cause moved forward. As the enemies of socialism intensified their maneuvers, it stepped up its ideological work even more energetically. The great leader [yongdoja] Comrade Kim Chong-il set it forth as the basic duty of our party's ideological work to dye the entire society one color, the color of the chuche ideology — the revolutionary ideology of the respected and beloved leader Comrade Kim Il-song — and, on that basis, elucidated fully and in depth the substance of the ideological work to convert the whole society to the chuche ideology. At the same time, the great Comrade Kim Chong-il sagaciously led the struggle to develop the ideological work as the work involving the entire party, the entire nation, and the entire society, and as the work of the masses of people themselves, under the party leadership. While energetically conducting the ideological indoctrination work among party members and the working people, our party has paid great attention to thoroughly eliminating vestiges of individualism, egoism, and other old ideologies in the minds of the people, and to destroying the reactionary ideological offensives of imperialists and socialism's betrayers.

Under the sagacious leadership of our party, the ideological indoctrination work has made headway goal-consciously and aggressively, and the struggle against all old and reactionary ideologies progressed success-

fully. As a result, there has been fundamental change in the ideological and spiritual life of our people, while the ideological stronghold of our way of socialism has been consolidated into an invincible fortress that no force can break. All the people uphold the great Comrade Kim Il-song highly, as the leader [suryong] forever, and are firmly united around the great leader [yongdoja] Comrade Kim Chong-il, and the whole society forms a big, harmonious family. This, precisely, is the true picture of our society being dyed one color, the color of the socialist ideology, through the stepped-up ideological work under the party leadership. Our realities powerfully demonstrate the validity and vitality of the ideological theory of our party that the socialist ideology can take root in the hearts of the masses of people only through the goal-conscious, ideological work of the working-class party and the uncompromising struggle against all old, reactionary ideologies.

The fact that the great leader [yongdoja] Comrade Kim Chong-il clearly elucidated the characteristics of the socialist ideological remolding process is of great significance in advancing the socialist cause of chuche and the cause of self-dependence of mankind victoriously.

It has given our party and people a powerful, ideological, theoretical weapon with which to accelerate the socialist ideological, remolding work even more energetically, and thereby to consolidate the ideological position of our way of socialism in every way. Moreover, it has given the revolutionary peoples of the world an almighty, sacred sword with which to advance the socialist cause without any tilting or meandering.

Our party and people will adhere to and thoroughly embody the chuche-based socialist theory elucidated by the great leader [yongdoja] Comrade Kim Chong-il and, by doing so, carry forward the chuche socialist cause successfully to its summation.

South Korea

ROK: UN Secretary General Flies to Seoul for 5-Day Visit

SK2803064496 Seoul YONHAP in English
0617 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — United Nations Secretary General Butrus Butrus-Ghali flew into Seoul Thursday for an official five-day visit to discuss the political situation in North Korea and East Asia and ways to enhance cooperation between South Korea and the international organization.

Before leaving Tuesday, Ghali will meet with President Kim Yong-sam and Foreign Minister Kong No-myong on Friday and Saturday, respectively.

Ghali will speak at a seminar on the future of the United Nations and will receive an honorary doctorate degree from Korea University.

The UN chief will also receive the great world peace award at Seoul's Kyunghee University. The award is granted by the international Oughtopia [name as received] Peace Foundation.

Ghali will hold a press conference at the Shilla Hotel Tuesday morning just before leaving Seoul for Tokyo.

Before flying to Seoul, Ghali visited Beijing for five days where he expressed his willingness to mediate an inter-Korean dialogue to ease tensions on the Korean peninsula.

Ghali had planned to visit Pyongyang through Panmunjom to pursue better relations between the two Koreas but the North rejected the UN chief's offer.

The UN secretary general visited both Seoul and Pyongyang in 1993 to help mediate inter-Korean talks but was not successful mainly due to the North's reluctance to engage in talks with the South.

ROK: Government Official on U.S. View of Peninsula Security

SK2803010796 (Internet) The Digital Chosun Ilbo WWW in English 1203 GMT 27 Mar 96

[FBIS Transcribed Text] The U.S. is preparing for acts of provocation or war in the first half of this year on the part of North Korea, the administration of which is currently in danger of complete systemic collapse. It was learned Tuesday that since July last year, U.S. Forces have been mobilized near the Korean peninsula and have undertaken special exercises in addition to normal reconnaissance training such as the mobilization of strategic B52 bombers and nuclear submarines. A government official accompanying Foreign Minister, Kong No-myong, on his U.S. visit said "the U.S. regards the security of the Korean peninsula as being in serious danger so it is in addition to carrying out normal military exercises sending B52 bombers and nuclear submarines to the peninsula and East Sea". An official of the Foreign Ministry said that U.S. Secretary for Defense, William Perry, will visit Korea for two days from April 15 in order to explain the U.S. position in regard to the safety of the peninsula and to discuss future policy.

ROK: Interest of U.S., Japan Embassies in Elections Questioned

SK2703053296 Seoul THE KOREA HERALD in English 27 Mar 96 p 2

[By staff reporter Sin Yong-pae]

[FBIS Transcribed Text] The upcoming general elections, which will pick 299 members of the National Assembly, are drawing interest not only from South Koreans but also from foreign residents in the nation.

Foreigners' interest in the elections as highlighted by U.S. Amb. James Laney's recent meetings with Seoul candidates.

Laney met with ruling party candidate Yi Myong-pak, who is running in the elections in a Seoul central electoral district, on Feb. 14.

Later, the ambassador also visited opposition candidates Yi Chong-chan and No Mu-hyon, who are competing with Yi Myong-pak in the Chongno district.

It may be natural for foreign diplomats to show interest in upcoming general elections held in their host country. But it is rare for a foreign ambassador to meet the nation's parliamentary candidates ahead of the coming general elections.

Why did Laney run the risk of being criticized as interfering in domestic politics?

The U.S. Embassy said he had met the candidates simply because he is interested in Korean politics.

"He wanted to talk to the candidates on the (general) elections," said Stephen Rounds, an information officer of the USIS.

The second reason is that the U.S. Embassy is located in the Chongno electoral district, the officer said.

But a spokesman for No Mu-hyon, a candidate of the opposition Democratic Party, does not accept those reasons at face value.

"We don't believe that the ambassador visited us just because his embassy compound is in the Chongno district," said Hwang I-su. "There must have been other reasons behind his visit."

Whether or not his visit was politically motivated, it may be an indication that the United States is paying attention to the outcome of the nation's general elections.

At the end of last year, a U.S. Embassy official allegedly met a group of trade union leaders of the Hyundai Motor Co. to discuss the general elections.

"In the meeting held at the request of the U.S. Embassy, the official asked us whom the labor circle will support in the elections and whether or not it will field its own candidates," said Kim Kun-tae, a spokesman for the trade union.

The parliamentary elections are also drawing attention from other foreign countries, which are maintaining close relations with Korea.

"We are closely watching the elections as our country views South Korea as a strategic partner in international relations," said a Western diplomat here, who asked not to be identified.

He also said the elections are very important because their outcome is certain to affect President Kim Yong-sam's reform drive. Noting that Korean political parties do not have sizable ideological differences, the official from a European country said he expects no party will win a landslide victory.

Japan, one of South Korea's closest neighbors, is also showing keen interest in the Korean elections.

"Japan and South Korea have maintained close relations and we want to know what is going on in this country," said Kojiro Shiojiri, a minister for political affairs at the Japanese Embassy.

He said his embassy is gathering information on the general elections. But he did not elaborate on how it was obtaining it.

It is not just Japanese diplomats that are gathering in-depth information on the elections. Japanese journalists are among the group of foreign correspondents most actively covering the elections.

ROK: Pusan Residents Oppose Camp Hialeah Relocation Plans

*SK2703053496 Seoul THE KOREA TIMES in English
27 Mar 96 p 3*

[FBIS Transcribed Text] Pusan — The city's plan to relocate the U.S. military installation, Camp Hialeah, to somewhere near Kimhae International Airport is facing strong opposition from residents there.

With City Hall revealing the Kangso area is under consideration for the new site for the camp, residents are planning a series of protest rallies to oppose accommodating the U.S. base.

Ward head Pae Ung-ki, selected in the June 27, 1995 local elections, said that he will not agree to the city plan without the consent of residents in his ward.

Kangso residents say that the relocation of the U.S. camp there will put a further clamp on the development of the area so their rights to property will be violated.

A trash landfill a military depot and a fuel storage facility have been accommodated in the area that is one of the least developed in Pusan.

Making matters worse, the Kangso area is included in the anti-development "greenbelt" zone where new construction is banned and modifications of existing structures are only selectively allowed.

ROK: North Korea Proposes Talks Through Official Channels

*SK2803013996 Seoul TONG-A ILBO in Korean
28 Mar 96 p 1*

[By Pae In-chun from Tokyo]

[FBIS Translated Text] It was confirmed on 27 March through well-versed sources in Japan that North Korean authorities proposed to the ROK Government through inter-governmental official channels last week to resume the suspended South-North talks as soon as possible.

A source revealed that in this proposal made through high-ranking officials, the North side stated that it will wait for the ROK side's proposal on the timing and venue for the resumption of the South-North talks.

Another source said: "It is known that the South-North talks proposed by the North signifies premier-level high-ranking talks."

These sources said, however, that they do not have information on whether the ROK Government will make public the contents of the proposal made by the North side and the ROK side's countermeasure regarding this matter before the general elections slated for 11 April.

Japanese sources analyzed: "The reason North Korea proposed the resumption of South-North talks first is that it judged that it cannot but hold South-North dialogue if it is to improve relations with the United States and Japan ahead of schedule."

Regarding the North's attempts to hasten improvement in relations with the United States and Japan, a source said that it is known that the United States and Japan put strong pressure on the North recently through separate channels to "resume South-North talks first of all."

An observer viewed: "It seems that moves to improve DPRK-U.S. and DPRK-Japan relations will be hastened after the ROK's general elections so it is expected that the resumption of South-North talks will be realized in the near future. There is a high possibility that the venue for the talks will be somewhere within the

Korean peninsula including Panmunjom, Pyongyang, and Seoul."

ROK: Proposal for Talks With North 'Actively' Examined

SK2803025696 Seoul KBS-1 Radio Network
in Korean 0200 GMT 28 Mar 96

[FBIS Translated Text] South-North talks which have been suspended for some time, may soon resume. An official of the Ministry of National Unification [MNU] revealed that recently, the North Korean side proposed holding working-level contacts between the authorities of the South and North, and that currently, the government is actively examining this proposal.

This official also said, however, that he is under the understanding that the proposed talks are not premier-level contacts, but working-level ones. This official attributed North Korea's proposal to a realistic assessment on North Korea's part, that South-North relations must be improved prior to improving U.S.-DPRK relations.

ROK: DPRK Urges 'Inter-Korean Contact,' ROK Reaction

SK2803090896 Seoul YONHAP in English
0808 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — North Korea has recently proposed resuming inter-Korean contact similar to the rice aid talks held in Beijing last year, with South Korea responding with a counterproposal for a formal meeting to be held in the Korean Peninsula between relevant authorities.

According to a relevant government official Thursday, the North's proposal was sent by fax from Chon Kum-chol, the chief Pyongyang delegate to last year's Beijing talks, to his South Korean counterpart Yi Sok-chae, who is presently information and communication minister.

Yi was the head Seoul delegate to the Beijing meeting and was serving as vice finance and economy minister last year when the inter-Korean talks were held to aid rice to North Koreans.

He said that Seoul sent an immediate reply to Pyongyang reiterating preconditions for resuming inter-Korean talks that it had proposed at the Beijing talks.

Such conditions call for reconvening inter-Korean dialogue in the Korean Peninsula, holding a formal meeting through channels of authorities concerned, and that the North refrain from slandering the South.

Spokesman Kim Kyong-ung of the National Unification Ministry confirmed the North's proposal for resuming

dialogue, saying, "North Korea has recently relayed its intent to resume the Beijing inter-Korean contact."

Kim said, however, "Such a proposal by the North is not a proper way for dialogue. We are waiting for Pyongyang's favorable response to Seoul's demand to resume an official meeting in the Korean Peninsula and for Pyongyang to stop its slander against South Korea."

ROK: MNU: DPRK Proposes Rice Talks With ROK in Beijing

SK2803042996 Seoul KBS-1 Radio Network
in Korean 0300 GMT 28 Mar 96

[FBIS Translated Text] The Ministry of National Unification [MNU] officially announced today that North Korea proposed reopening a fourth round of ROK-DPRK rice talks in Beijing.

The following is a report from reporter Choe Chae-hyon:

[Begin Choe recording] Regarding recent rumors from Japanese sources that the North side had proposed South-North premier-level talks, Kim Kyong-ung, spokesman of MNU, said today that while the ROK did not receive an official proposal for high-ranking talks from North Korea, it is true that North Korea recently expressed its intention to hold a fourth round of rice talks in Beijing through the Korea Trade and Investment Promotion Agency.

Spokesman Kim noted that at the third round of South-North contacts held in Beijing last September, the ROK Government had held to the position that future talks must be held as official South-North talks between the authorities concerned on the Korean peninsula, and that measures must be taken to cease the slander against the South to create a cooperative atmosphere.

Saying that this proposal from the North was an unsatisfactory approach to dialogue, Spokesman Kim revealed that the ROK side will await a response from the North side regarding the ROK side's request that official talks between relevant authorities of the Korean peninsula be held and that the North suspend its slander against the South.

It is the first time for the North side to officially request rice aid since the rupture of the third round of Beijing rice talks in October of last year. [end recording]

**ROK: Some 7,000 DPRK Escaped to PRC in 1995
Due to Hunger**

SK2803032496 Seoul YONHAP in English
0238 GMT 28 Mar 96

[FBIS Transcribed Text] Tokyo, March 28 (YONHAP) — Approximately 7,000 North Koreans escaped to China last year because of the reportedly serious food shortage in the Stalinist nation, the TOKYO SHIMBUN reported from Seoul Thursday.

The daily said, quoting a South Korean source, said the information was obtained by the South Korean Government. The information, despite that the source failed to give any piece of evidence that could substantiate it, seems to be one obtained through diplomatic channels from China, it added.

Most of the refugees have been pouring into the autonomous Korean prefecture in Yanbian Province, and have received support from relatives or people they know living there, according to the report.

Meanwhile, the Japanese daily quoted a Western news source who had been to China as saying that about 10,000 North Koreans have escaped to China since 1991.

A piece of unconfirmed information, the paper said, has it that Chinese authorities are collectively supervising and educating North Korean refugees who have fled for political reasons with a view to securing pro-Chinese North Koreans in the event of the collapse of the Kim Chong-il regime.

**ROK: DPRK Soldiers Said Receiving Rice Rations
'Properly'**

SK2803015996 Seoul THE KOREA HERALD
in English 28 Mar 96 p 2

[FBIS Transcribed Text] North Korea, which has recently tightened its food rationing, is nevertheless feeding its soldiers adequately, the South Korean intelligence said yesterday.

An official from the Agency for National Security Planning said that North Korea reduced rice rations to its civilians by 22 percent after severe floods hit the nation last summer.

Worsening food shortages forced North Korea into an additional 20 percent cut, the official said.

However, he said, North Korea is rationing the same amount of rice to its soldiers that it did before the floods, he said.

"North Korea is doing its best to feed its armed forces properly," he said. "North Korea seems to be preparing

to mobilize its soldiers if hungry civilians revolt against the government."

As a result, North Korean soldiers have become the most popular choices for marriage partners among North Korean women, the official added.

In order to alleviate its food shortages, he said, North Korea is confiscating food grains traded on the black market.

"Last November, the North Korean government prohibited illegal bartering of food grains," he said. "Some of the North Koreans, who were caught trading their possessions for food grains, were executed."

The official said that the North Korean government is also forcing civilians to exchange their rice reserves for foreign goods sold at local stores.

Since the summer floods, North Korea distributed 60,000 tons of rice collected from various international organizations to civilians as had been monitored by the donors, he said.

However, he said, North Korea may have diverted for military use part of 150,000 tons and 500,000 tons of rice aid from South Korea and Japan, respectively.

**ROK: Kwon O-Ki: Military Crucial to Fate of
DPRK Regime**

SK2803055396 Seoul YONHAP in English
0526 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — Deputy Prime Minister and Unification Minister Kwon O-ki said Thursday that the military is crucial to the fate of the North Korean regime.

In a lecture delivered at a breakfast meeting held at the Intercontinental Hotel in southern Seoul under the sponsorship of Songu-hoe, a club of retired generals, Kwon said, "Kim Chong-il has recently taken a very serious view of the military, whose influence is mounting. This is because the military is crucial to whether the Kim Chong-il system will disintegrate or not."

The North is riddled with such serious economic woes and unrest within the establishment and even North Korean leaders themselves are confessing that they cannot predict what lay ahead of them, Kwon said.

As to whether Kim Chong-il is in control, the journalist-turned unification minister said, "Some think he, having virtually ascended to the helm of power, is completely in control, while others say he is not in light of the economic plight and confusion seen in diplomatic moves. Many people observe that something will change after July 8, the second anniversary of the death of his

father Kim Il-song, so we had better pay attention to what transpires in the North after that date."

Kwon was apparently referring to Kim Chong-il's possible formal assumption of the state presidency and general secretariat position of the ruling Workers' Party, the two top positions left vacant since the death of the senior Kim.

Referring to the admission into the South of North Korean escapees, Kwon said, "nearly 1,000 North Korean escapees now residing in third countries have expressed their desire to come here to live. Because it is difficult to accommodate them all at once, we are admitting them on a selective basis."

Recalling that East and West Germany were unified suddenly in a manner not anticipated by experts, Kwon remarked that the government has been preparing for unification, assuming that anything could happen.

He called for patience and perseverance in pursuing unification, and added, "We'll try to resume dialogue with the North in a calm and steady manner. The general public will be kept informed of policies toward the North."

ROK: NSP Searching for Unmanned North Korean Spy Posts

SK2803081396 Seoul KBS-1 Radio Network in Korean 0700 GMT 28 Mar 96

[FBIS Translated Text] Under the auspices of the Agency for National Security Planning (NSP), the ROK military and police will conduct joint operations until the end of April to search for North Korean-installed unmanned posts. The search operations will be conducted in coastal areas and hillocks near big cities across the country. And, in particular, approximately 1,000 soldiers and policemen will conduct large-scale search operations tomorrow across Kanghwa Island, through which have North Korean spies have frequently infiltrated into the ROK.

Kim Tong-sik, a spy who was recently arrested, told the NSP that there are 13 unmanned posts in the ROK, and the NSP has so far found three unmanned posts where 136 pieces of espionage equipment were hidden.

ROK: Easter Services To Be Held Simultaneously With DPRK

SK2703042896 Seoul CHUNGANG ILBO in Korean 27 Mar 96 p 22

[FBIS Translated Text] The churches of the North and South will, for the first time, hold parallel Easter services by reading the same prayer and the same sermon on 7 April.

On 26 March, the North Korean Christians League sent a letter to the Korea National Council of Churches (KNCC) through the World Council of Churches, that North Korean Christians will have their Easter service at Pongsu and Chilgol Churches at 0530, being timed to coincide with the joint services to be held in some 80 places across South Korea's 73 cities, including the service at the Changchung Gymnasium in Seoul. The prayer will be read simultaneously by KNCC Director Kim Tong-hwan of the South side and by Reverend Yi Song-mok of Pongsu Church of the North side.

ROK: Seoul, Hong Kong To Sign Increased Flight Agreement

SK2803122396 Seoul YONHAP in English 0753 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — South Korea and Hong Kong will sign an agreement Friday to increase the number of flights between Seoul and Hong Kong and allow income tax exemptions on profits from the operation of Seoul-Hong Kong Air Service, a Foreign Ministry spokesman said Thursday.

The agreement concerning air service calls for increasing the number of weekly flight seats to 8,150 starting April 1 from the current 7,650 seats.

The agreement will also exempt airplane parts, equipment, fuel and engine oil from tariffs and other levies.

Vice Foreign Minister Yi Ki-chu and Hong Kong's Secretary for Economic Services Gordon Siu will sign the agreement.

ROK: French Ambassador Speaks on Franco-ROK Relations

SK2803064996 Seoul YONHAP in English 0514 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — French Ambassador to Seoul Dominique Perreau stressed Thursday the new and special relationship formed between Asia and Europe at the recent Asia-Europe Meeting in Bangkok.

Perreau was speaking at a reception commemorating the Korean-language publication "FRANCE KYONGJAE," a brochure highlighting French economics and industry. High-ranking representatives from the South Korean Government, industry, and the media were on hand for the ceremony, as well as resident French businessmen.

"The image of France (in South Korea) is changing quite fast," the diplomat asserted, "thanks to new industrial standards and partnerships."

Politically speaking, Seoul and Paris are the closest of allies, boasted Perreau, adding that France fully supports South Korea in all international organizations, including the United Nations and the Organization for Economic Cooperation and Development.

He also noted that in addition to the TGV high-speed train project in South Korea, which he called "the biggest technological transfer by Paris to Seoul," other areas of cooperation could include satellites, water treatment, and environmental concerns.

About 20,000 copies of the brochure, specifically targeted for distribution in South Korea, will be sent to relevant government and business figures, according to French Embassy Press Attache Dominique Delpuech. It is part of the "French Image" promotional campaign, which was launched in 1994 to improve the unfavorable image of the nation in Asia, he added.

"We want Koreans to know that there is more to France than just fashion, wine, and culture," Delpuech said.

ROK: Australia Starts Antidumping Study Over PVC Resin

SK2803105496 Seoul YONHAP in English
0551 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — Australia has launched a preliminary anti-dumping investigation into Korea- and Belgium-made polyvinyl chloride (PVC) resin.

The Australian customs administration began the investigation Wednesday in response to complaints filed by Australia's ICI corporations and Auseon, the Korea Trade-Investment Promotion Agency (KOTRA) reported, citing a report from its Sydney trade center.

The Korean companies now under investigation are LG Chemical and Hanwha Chemical, which the complainants insist have a 42 percent dumping margin rate for their exports, the report said.

The Australian Government will make a preliminary decision by July 5 on whether or not the Korean companies are guilty of dumping PVC resin in Australia ever since July 1, 1994.

Meanwhile, Korea's PVC resin exports to Canberra had decreased sharply after Australia issued findings that confirmed dumping in April 1992. The Oceanic nation reversed the judgment, however, when it decided that Korean-made chemicals were beyond suspicion in April 1994.

Since the 1994 verdict, the nation's PVC resin outbound shipments have increased to 1.34 million U.S. dollars

in the 1994 fiscal year (July 1994-June 1995) and 2.20 million dollars between July 1995-January 1996.

KOTRA officials explained that the sharp growth in exports has caused the suits to resurface.

ROK President Endorses Information Network, Public Welfare

SK2803023296 Seoul YONHAP in English
0212 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — President Kim Yong-sam said Thursday the administration should solve citizens' petitions in the quickest possible manner by improving its on-line information network in a way that gives all government offices' access to all databases when handling the petitions, especially those related to problems which cause inconvenience to their everyday living.

Presiding over the Globalization Promotion Committee meeting at Chongwadae [presidential offices], however, Kim stressed the need to take measures to prevent the abuse of the network and infringements upon citizens' privacy.

He also instructed the cabinet to increase the employment of senior citizens to allow them a happy life when they get older and provide better medical services to those suffering from geriatric diseases, including Alzheimer's.

By 1998 when a national pension system will go into effect, he said, the government would have built welfare and medical facilities for poor senior citizens and handicapped people.

Kim, pointing out that the nation has begun to have a keen interest in the diplomatic row with Japan over the territorial rights to Tokto Islet in the East Sea, stressed the need for citizens to launch a non-governmental information exchange campaign so that the two countries understand each other properly.

ROK: Kim Yong-sam Stresses Welfare of 'Aged People'

SK2703104696 Seoul YONHAP in English
1031 GMT 27 Mar 96

[FBIS Transcribed Text] Pundang, March 27 (YONHAP) — President Kim Yong-sam on Wednesday afternoon emphasized the importance of senior citizens' welfare including better medical service.

"Senior citizens' welfare is the most important area of national welfare programs," the president said. "Aged people should be given a social role and better protected from diseases and alienation."

The president made the remarks in a speech made at ground breaking here for the construction by the Seoul National University [SNU] Hospital of a mammoth senior citizens medical center at Kumi-tong here in the southern outlying area of Seoul.

"Today's senior citizens are the very people who have sweated much to lay a groundwork for today's economic success," Kim said.

The 800-bed hospital with 15 floors above the ground and three basement stories is set for dedication in 2000.

About 500 government and medical officials were on hand to witness the ground breaking. Among them were Education Minister An Pyong-yong, Health and Welfare Minister Kim Yang-pae, Environment Minister Chong Chong-taek, Seoul National University President Sonu Chong-ho and SNU Hospital Director Yi Yon-u.

ROK: Kim Yong-sam 'Confident' of NKP's Election Victory

SK2803015896 Seoul THE KOREA TIMES in English
28 Mar 96 p 2

[From the "Press Pocket" column: "Overconfidence"]

[FBIS Transcribed Text] President Kim Yong-sam, apparently undaunted by the bribery scandal involving his close aide, is confident of the ruling New Korea Party's [NKP] victory in the forthcoming National Assembly elections.

Meeting with 46 NKP nominees for national constituency Assembly seats at Chongwadae [presidential offices] yesterday morning Kim said, "Don't even think about the possibility that our party will fail to win a majority in the next general elections."

Kim made the remark after giving nomination letters to recipients, including Yi Hoe-chang, the party's chief campaign manager, and Pak Chan-chong, a former Seoul mayoral candidate placed 21st on the nominee list. Stressing the need for the ruling party to win a majority, Kim reminded them of the political and social chaos in the late 1980s, which he alleged had been caused by the opposition domination of the Assembly.

Kim, also president of the ruling party, urged the nominees to exert every effort in winning the election.

"We should campaign with the mind-set that one ballot could cost us an Assembly seat," Kim said. "We must learn from the lion that does its utmost even when hunting a small rabbit."

ROK: Money Embezzled by Aide Said Higher Than Suspected

SK2803012096 (Internet) The Digital Chosun Ilbo
WWW in English 1158 GMT 27 Mar 96

[FBIS Transcribed Text] It was learned today that the amount of moneys embezzled by former close Presidential aide Chang Hak-no stands at around 5 billion won, much higher than that initially suspected. The Seoul District Prosecutor's Office stated that an additional 200 million won in term deposits in the name of Kim Mi-cha, de facto wife of Chang, has been discovered and that there is a distinct possibility that more funds will be detected, well in excess of the 3.7 billion won initially alleged to have been embezzled. Prosecutors also confirmed that Chang concealed 3 to 4 real estate properties registered in the name of Kim's brother and sister. If the value of the additionally discovered properties and deposits is added to the value of those properties, pensions policies and deposits already confirmed to have been concealed by Chang, then the total of embezzled funds comes to around 5 billion won. Prosecutors allege that those who gave money to Chang included 40 to 50 high-ranking government officials and businessmen and that Chang accepted moneys on over 200 occasions.

ROK Presidential Aide Received Money From '150 People'

SK2703105296 Seoul YONHAP in English
1034 GMT 27 Mar 96

[FBIS Transcribed Text] Seoul, March 27 (YONHAP) — Some 150 people have so far been found to have given money to ex-Presidential Aide Chang Hak-no and they include some incumbent lawmakers in addition to businessmen and public officials, a prosecution official said Wednesday.

The donors also include the chairmen of three to four major business groups, he said.

Investigators also found out that the financial and real estate assets registered under the names of Chang's live-in girl friend and her brothers and sisters total 3.3 billion won in their value.

"We suspect the money used in acquiring these assets came wholly from Chang Hak-no," the official said.

He said Chang had conceded that beginning the early days of his Chongwadae [presidential offices] duty, he in general met three to four businessmen a week to receive money from them.

ROK Parties Focus on Chongwadae Bribery Case in Campaigns

SK2803021796 Seoul *THE KOREA TIMES* in English
28 Mar 96 p 2

[FBIS Transcribed Text] The four major parties focused on "money" issues in their campaigns yesterday on the second day of the official 15-day election campaign period.

Opposition parties railed against President Kim and his administration for the bribery scandal involving Chang Hak-no, a close aide to the President. But the leaders of the ruling camp attributed the incident to the chronic ills of the nation's political culture, trying to convince the people that it was an isolated incident in a move to head off the negative impact on the electoral chances of NKP candidates.

Yi Hoe-chang, NKP chief campaign manager, said, Chang's case is a natural result of the decades-old ills in our politics, and it is not only limited to the ruling camp, but involves opposition parties as well."

Attending the mass rally at Chong-ro, the heart of Seoul, he said that politicians should use this incident as an opportunity to look back on themselves instead of as a campaign strategy.

He appealed to the voters by saying chaos would be inevitable if the ruling camp is overpowered by the opposition parties, asking them to rally behind the NKP candidates.

NKP campaign manager Pak Chan-chong, who is in charge of the metropolitan area, asserted the need for institutional devices to prevent corruption among high government officials. He proposed a stricter system to monitor the financial changes of the presidential aides at Chongwadae.

Leaders of the main opposition National Congress for New Politics lashed out at President Kim for Chang's bribery scandal, dubious presidential campaign funds and economic instability in the nation at their first mass rally in Seoul yesterday in front of Seoul station.

NCNP President Kim Tae-chung said, "Chang's case is not a personal case, it is more the result of systematic bribery in the presidential office. How can a presidential aide be held solely responsible for the huge sum of money amassed while the President was boasting a clean image by serving simple and lean noodles for lunch to visitors?"

Chong Tae-chol, NCNP co-chairman for the election campaign, said that the Kim administration has been so insecure that it is like "an automobile with its brake system out of order." He criticized President Kim for

being too arrogant, citing the fact that Kim has denied requests from opposition leaders to talk with them.

Democratic Party leaders repeated their call for putting an end to the "three-Kim era" at the outdoor rally in downtown Seoul with most of its leaders participating.

DP Co-chairman Hong Sung-u said, "The three Kims have aggravated the time-old regional rivalry in the nation, and we are the only party that can bring about a clean and hopeful politics."

Yi Chung-chae, chairman of the DP's campaign committee, asked the voters to support its candidates so that the party can hold Assembly hearings on President Kim's political funds, Chang's bribery scandal and the scandals involving cash contributions during candidate selection processes of opposition parties.

Kim Chong-pil, leader of the United Liberal Party, appealed to the voters in the Taegu-Kyongsangdo area, hitting a nostalgic chord when he mentioned the late president Pak Chong-hui.

Participating in the party's rallies in Kumi and Sangju, Kyongsang-pukto, he said, "This is the place where late president Kim was born, and now is the time to revive his spirit of modernization by supporting ULD candidates."

He also stressed that the only way to check President Kim is to have an opposition majority in the 15th Assembly.

ROK: 'Wayward' Economic Programs for Elections Adopted

SK2703051796 Seoul *THE KOREA TIMES* in English
27 Mar 96 p 9

[FBIS Transcribed Text] Ahead of the general elections next month, the government is bowing to pressure from the ruling party to adopt wayward economic programs that are not in tune with the government's medium- and long-term economic policy goals.

It rushed to unveil a set of programs aimed at artificially boosting the stock market. The government allowed the Korea Securities Finance Corp. to lend 500 billion won to brokerage houses so that they can relend the money to investors.

The KSFC loan will enable individual investors to borrow money to buy stocks. But when the loan matures in five months and the stock market does not rise, the individual investors will be exposed to personal bankruptcy, which will in turn further depress the stock market later. The government also lowered the securities transaction tax by 50 percent, but there is doubt whether

the cut will beef up stock prices. Due to the cut, the government will face a reduction of 200 billion won in tax revenue this year, according to an estimate by the Ministry of Finance and Economy.

The ministry has delayed its planned implementation of the third-stage deregulation on automobile insurance premiums. This is said to be related to the government's will not to anger the middle class ahead of the election. The deregulation will raise premiums for automobile owners in view of a huge loss local automobile insurance companies have so far accumulated.

The government said it will double the size of the fund to 1 trillion won, intended to bail out promising small and medium-sized companies in temporary financial distress. The government also announced that it will assist small and medium-sized companies that are suffering from a temporary fund shortage following the bankruptcy of big firms. But the statement is criticized as being ambiguous. Furthermore, the government is under fire for using taxpayer funds to bail out small and medium-sized companies without principle. The government said it will exempt enterprises from paying taxes on dishonored bills.

The government yesterday said it will establish, before June, a brokerage house for facilitating stock trading of small- and medium-sized companies that are registered with the over-the-counter (OTC) market.

It said all institutional measures aimed at helping small and medium-sized companies raise funds in the OTC market will be implemented from next month.

On Feb. 27, the government unveiled plans to foster the OTC market as part of steps to assist small and medium-sized companies.

ROK: Kim Tae-chung Willing To Join Coalition Cabinet

SIK2803010396 Seoul YONHAP in English
0032 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — Opposition leader Kim Tae-chung expressed a willingness Wednesday to take part in a coalition cabinet in the wake of the upcoming general elections, if requested to do so by President Kim Yong-sam.

"If President Kim Yong-sam asks for it after the 15th National Assembly elections, we are prepared to cooperate with him in the interest of political stability in the form of a broad-based or coalition cabinet," said Kim Tae-chung, president of the main opposition National Congress for New Politics.

"But neither will we merge with another party nor reform the political arena artificially," he added.

Kim made the remarks at his party's stumping rally held at the Seoul Railroad Station plaza Wednesday afternoon.

Referring to the corruption scandal involving Chang Hak-no, a former aide of President Kim, the opposition leader said, "the scandal is not confined to an individual... President Kim must first clean up his camp. He must reveal how much money he accepted at the time of three-party merger and the 1992 presidential election.

ROK Parties Feuding Over Proportional Candidate List

SIK2803020896 Seoul THE KOREA TIMES in English
28 Mar 96 p 1

[By staff reporter Yim Chin-hong]

[FBIS Transcribed Text] With the general elections only 14 days away, the opposition parties, particularly the Democratic Party and the United Liberal Democrats [ULD], are engulfed in vociferous intra-party protests in the wake of the announcement of parties' proportional representation system candidates.

In a rather surprising move, the Democratic Party disclosed yesterday morning that Rep. Yim Chun-won was dropped from the candidate list of the party's proportional representation system only one day after it was announced.

The party action followed strong protests by reformist party members, including lawmakers Yi Chol and Yi Pu-yong, against the nomination of the incumbent lawmaker who was third on the list.

Some 10 members of the reformist wing got together Tuesday night, right after the announcement of the list, and reached the conclusion that Rep. Yim's nomination does not have the political credentials corresponding with the party's reform-oriented image. They also argued it was against the party's nomination rules.

Yim has hopped from party to party in recent years. He is now an independent.

The reformists in the Democratic Party threatened to leave the party and run as independent if Rep. Yim was not crossed out of the list.

There is talk about how Rep. Yim provided funds to the party leadership to win the nomination.

The United Liberal Democrats led by Kim Chong-pil is also entrenched in deep internal feuding over the exclusion of former lawmaker Yi Pil-son from the

proportional candidate list. Yi, from the southwestern city of Kwangju, is vice president of the ULD and was reportedly assured of the top seat on the list.

However, his name was found nowhere on the list. More surprising was that former prosecutor Yi Kon-kae, who was recently given amnesty after serving a prison term for taking bribes from the nation's slot machine rings, was placed third.

Party officials are fuming and pledging to take due action against ULD president Kim Chong-pil.

The National Congress for New Politics led by Kim Tae-chung is not immune to the political turmoil surrounding the nomination either. Some senior party members who were placed 20th and above did not show up at party headquarters yesterday, apparently out of disenchantment with the party's decision.

Former lawmaker Song Hyon-sop, placed 15th right after party president Kim Tae-chung is suspected by some of having made a cash contribution in return for the nomination.

The ruling New Korea Party (NKP) is suffering from protests that women party members do not receive due respect and fair treatment in selecting proportional candidates, even though they work hard to help the NKP win as many seats as possible in the general elections.

Some of them allegedly threatened not to cooperate with the party's campaign drive unless the party made some changes.

Each party's number of proportional seats in the general elections hinge upon the number of votes its candidates muster nationwide.

Large numbers of voters gathered to hear campaign speeches at different locations in Seoul yesterday as official campaigns entered the second day.

ROK Editorial on National Constituency Designation System

*SK2803015396 (Internet) The Digital Chosun Ilbo
WWW in English 1156 GMT 27 Mar 96*

[Editorial: One-Man Show Politics]

[FBIS Transcribed Text] Serious after-effects will be experienced as soon as the national constituency is announced. Why do we continue to witness this every general election? The cause lies with the fact that the task of designating national constituency lists is carried out in isolation by one person in both the ruling and opposition parties. The bosses of each political party select the members from their lists of candidates arranged by them in order and rank, a practice abhorred

by even party members. It is true that in respect of the result of this national constituency, in comparisons with elections hitherto, there is remarkably reduced suspicion that positions have been vacated and sold for money. Despite this partial improvement, there is still a lack of fairness and clarity in the selection process and in some cases there is criticism that the undesirable practices of the past are still being adhered to. The problem is therefore that as in the past, the fixture of today's national candidacy still runs counter to original member selection ideology. A typical instance occurred within the Democrats where a person was elevated to a high rank on the constituency list but was subsequently removed in a flash after a strong backlash from within the party. It is insensitive and lamentable that a so-called "new party of innovation" is prepared to secretly and suddenly bring in new candidates and add them to the party's constituency list without the knowledge or consent of even the most important party members. The party must have been extremely naive to think that it could just add to its list of important members a politician formerly the leader of the Federation of Independents who had opportunistically eyed his prospects in a number of parties without ramification. One must also thoroughly exam the clarity of the process of national constituency nomination by the National Congress for New Politics and the United Liberal Democrats in respect of which suspicion looms that the inclusion on those parties' candidature list of a number of candidates was directly linked to the payment of contribution moneys.

Due perhaps to the fact that it is the ruling party, there is no suspicion surrounding the contribution payments by candidates for New Korea Party but a number of matters that smell of a lack of fairness that are causing headaches. No only are there those candidates whose statesmanship and name who do not, according to the hierarchical equation, deserve elevation to a high place on the constituency list but due the fact that female candidates have effectively been ignored there are a now number of characters on the national constituency list not worthy of New Korea Party designation which has caused a loss of party unity and harmony [sentence as received]. Even putting aside the above detailed problems, there is in general terms considerable distrust by the people in respect of the national constituency. Whether or not one scraps the present national constituency designation system, there is a great need for both opposition and ruling parties to work towards attaining improvement of the system and a need to place the task and responsibility of choosing members for the national constituency in the hands of an independent organization in order to ensure that in the future the system of choosing members cannot be criticised as be-

ing carried out devoid of standard and principle in an exclusive and solitary fashion by party bosses or a small number of party power brokers.

ROK: CEMC: Over 31 Million Eligible To Vote in Election

SK2603081796 Seoul YONHAP in English
0644 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — The total number of eligible voters in the 15th general elections is 31,526,918, including 792,363 absentee voters, according to the Central Election Management Commission's [CEMC] final tally Tuesday.

Seoul had the most eligible voters with 7,400,956, followed by Kyonggi Province with 5,304,440, Pusan with 2,675,704, and South Kyongsang Province with 2,666,564.

Absentee voters accounted for 2.51 percent of total eligible voters, with Seoul having 183,879, Kyonggi 105,281, and Pusan 64,315. The proportion of such voters is highest in Cheju Province with 3.14 percent, followed by South Cholla with 3.11 percent and Kwangju with 3.09 percent.

ROK: CEMC: Registered Candidates Show 5.5-1 Competition Ratio

SK2703124496 Seoul YONHAP in English
1236 GMT 27 Mar 96

[FBIS Transcribed Text] Seoul, March 27 (YONHAP) — A total of 1,389 people registered their general elections candidacy with election committees by deadline Wednesday, showing a 5.5-to-1 competition ratio, the Central Election Management Committee [CEMC] finally reported.

The ratio compares with 4.7 to 1 and 4.4 to 1 in the last 13th and 14th general elections.

The ruling New Korea Party put up candidates in all the 253 electoral districts across the country. Opposition candidates included 230 of the National Congress for New Politics [NCNP], 225 of the Democratic Party and 219 of the United Liberal Democrats.

The registered candidates include 394 independents, 109 of them in Taegu and the adjacent North Kyongsang Province area alone where no political party enjoys dominant influence.

In Seoul 231 people vie for the 47 seats available to show a 4.9 to 1 ratio. Taegu showed the highest competition ratio, 8 to 1.

South Cholla Provinces, on the other hand, recorded the lowest ratios of 4.2 to 1. This is because in the area, the

staunch power base of Kim Tae-chung, candidates other than Kim's NCNP nominees, have little chances to win.

ROK PKO Shift Unit Leaves for Western Sahara

SK2803015796 Seoul THE KOREA HERALD
in English 28 Mar 96 p 3

[FBIS Transcribed Text] Twenty-seven out of a 42-member Korean military medical unit left for Western Sahara yesterday to replace their colleagues serving in the U.N. peacekeeping operations [PKO] in the African region.

The shift unit will merge with 15 medics who arrived there last week.

Based in Laayoune, the Korean medical unit will provide medical service mainly to U.N. PKO service members, a Defense Ministry spokesman said.

ROK: International Call Service License Competition Noted

SK2703053396 Seoul THE KOREA TIMES in English
27 Mar 96 p 8

[FBIS Transcribed Text] Two consortia are expected to compete for one international call service license which will be issued in June.

The Iljin Group has joined with the Halla Group to bid for the international call license.

Yu Chong-yong, president of the telecom business team of Iljin, said yesterday that Iljin and Halla will equally share within 15 percent of the total equity in the joint consortium Unicom to be set up with a paid-in capital of 50 billion won for the international call service.

The Iljin-Halla consortium is expected to compete with another large consortium under formation by five leading firms: Lotte, Kohap, Haitai, Daeryung Ind. and Asia Cement.

The Dong Ah Construction Group is also expected to join one of the consortia.

Yu said, "The management of the new telecom firm will be separated from the ownership. The chief-executive officer and other staff members of the firm will be recruited from experts in the telecom sector."

"The consortium will be composed of about 100 firms including Mando Machinery, Korea Mobile Telecom, Taihan Electric Cable, Korea Zinc, Chungho Computer Hankook Tire," Yu told reporters.

"The door is still open for other companies to join our consortium, such as state-run Korea Electric Power Co.

(KEPCO) which has a nationwide cable network." Yu added.

The Iljin-Halla joint consortium has agreed to cooperate in management and business with London-based Cable & Wireless Co., which provides international call service to 40 countries.

The consortium KEPCO joins will play a decisive role in naming the winner of the license. Yu said, "KEPCO has announced that it will join any consortium unless one grand consortium of all applicants is formed."

ROK: Customs To Implement Import-Export System 1 Jul

SK2803021896 Seoul THE KOREA HERALD in English 28 Mar 96 p 9

[FBIS Transcribed Text] Beginning July 1, domestic importers and exporters will be able to go through customs by just declaring their export and import items to customs authorities, the Korean Customs Service (KCS) announced yesterday.

Kang Man-su, commissioner of the KCS, said the KCS will abolish the present import and export permit system and introduce a declaration system starting July 1 when he met with some 100 members of the Korea Foreign Trade Association yesterday. He also asked for their cooperation in the new system's successful adaptation.

Under the current permit system, importers and exporters declare their goods, go through customs inspection and clearance procedures, pay the customs duties and then finally transport them to their destination. Such cumbersome paper-work and red-tape have resulted in a great loss of valuable time and manpower as well as a slowdown in the import and export procedures, Kang said.

According to the new system, importers and exporters will be able to go through customs by simply declaring their goods. And customs duties and paperwork will be taken care of after the goods have moved on. Inspection will be limited to "cargo selectivity," in other words, when the customs data base finds that there are certain goods with a high illegal import or export probability or when a certain importer or exporter has violated customs procedures in the past.

The KCS will also launch paperless customs clearance procedures for imports by using an electronic data interchange (EDI) system. EDI procedures for importers have already been in effect since December last year.

The new clearance procedures put emphasis on mutual cooperation between customs officials and import and export companies, said the head of the KCS. He added

that the outcome of this venture will depend on the honesty and mutual trust between the two parties and asked for their cooperation in making a step forward for more efficient trade in and outside the Korean Peninsula.

ROK Joins Ocean Commission To Protect, Develop Tuna

SK2703093096 Seoul YONHAP in English 0745 GMT 27 Mar 96

[FBIS Transcribed Text] Seoul, March 27 (YONHAP) — South Korea became Wednesday the 10th signatory to an agreement on the protection and development of tuna in the Indian Ocean calling for the establishment of a tuna commission under the United Nations Food and Agriculture Organization, Foreign Ministry Spokesman Chang Chol-kyun said.

The agreement for establishment of the Indian Ocean Tuna Commission aims to replace the Indo-Pacific Tuna Development and Management Program, which has been pursued since 1982 for collection and distribution of statistics and other information on tuna fishing in the Indian and Pacific Oceans.

South Korea's annual average tuna catch reached 15,000 tons in the Indian Ocean over the past years. The figure accounts for about 7 percent of the country's annual tuna catch.

Nations signing the agreement are obliged to provide information and statistics on tuna fishing in the Indian Ocean so that the tuna commission can come up with the most efficient measures to manage and develop tuna in the region, Chang explained.

Such measures will be imposed on member countries once they are adopted by a majority of the commission.

Regulations of the UN Convention on the Law of the Sea, which took effect last December, prevent countries from catching tuna and other migrating fishes unless they belong to regional fisheries organizations.

Members of the Indian Ocean Tuna Commission include Sri Lanka, India, Britain, Pakistan, the European Community, Madagascar, Eritrea and Mauritius. Japan and Australia are also expected to join.

ROK Budget for 1997 To Increase to 72 Trillion Won

SK2803025296 (Internet) The Chungang Ilbo WWW in English 28 Mar 96

[FBIS Transcribed Text] The national budget for next year is projected to reach 72 trillion won, an increase of about 14 percent from this year's.

Also beginning next year, government's method of assistance to regional development projects will change to allow local autonomous bodies directly undertake as many development projects for factory complexes as possible with the government subsidizing the construction costs for social infrastructure such as roads, water supply facilities and sewage systems.

The number of civil servants hired next year will remain frozen. On the other fronts, a great portion of the management for national hospitals and harbor facilities will be handed over to the private sector.

The South Korean government finalized 'Compilation Guidelines for Next Year's Budget' on the 27th and announced it will send the guidelines to each ministry by the end of this month. It plans to accept budget requests for next year from each ministry until the end of May, and begin budget compilation from June.

ROK Central Bank: Record Current-Account Deficit Growing

SK2803122196 Seoul YONHAP in English
0819 GMT 28 Mar 96

[FBIS Transcribed Text] Seoul, March 28 (YONHAP) — The Bank of Korea reported Thursday a current-account deficit of 1,769 million U.S. dollars for February, the highest monthly deficit since 1950.

The figure brings the total for the first two months of the year to 3.29 billion dollars, up 61.2 percent from the same two-month period last year. It also is more than half the 6.4-billion-dollar target set for the year.

The central bank expected the current-account deficit growth to begin slowing in March, citing the lowest 5.4-percent increase of capital-goods imports in February since October 1993 and an expected sharp fall of crude oil imports in March.

February's trade deficit was 1.16 billion dollars and exports increased 17.9 percent from the year before to 9.78 billion dollars, compared to a 17.3 percent increase in imports valued at 10.95 billion dollars.

Industrial economists expect the trade deficit to increase in months to come, because the arrival of export licenses [as received] fell 9.1 percent in February but the import licenses issued rose 9.3 percent.

They are also pessimistic about the invisible trade balance, citing a rising trend in overseas interest payments (from 530 million dollars in January to 540 million dollars in February) and an increasing travel deficit, insurance and cargo transportation accounts.

The transfer account of unrequited remittances overseas by individuals and institutions turned from a 47 million

dollar surplus last February to a 63 million dollar deficit this past February.

The capital account registered a surplus of 2.27 million dollars in February, thanks to a sharp increase in net inflow of foreign capital from January 1995 (480 million dollars) and January 1996 (740 million dollars).

The Bank of Korea's foreign-exchange holdings totaled 35.12 billion dollars at the end of February, up 1.85 billion dollars from the end of last year.

ROK Survey Published on Incomes of Urban Working Families

SK2703092996 Seoul YONHAP in English
0757 GMT 27 Mar 96

[FBIS Transcribed Text] Seoul, March 27 (YONHAP) — Urban working households in South Korea earned an average of 1,911,100 won (2,470 U.S. dollars) per month last year, spending 1,409,100 and saving 502,000, the National Statistical Office (NSO) reported Wednesday.

The NSO survey polled 5,400 working households randomly sampled from 63 cities across the country.

Monthly average income and spending were up 12.3 percent and 11.5 percent in 1995 from the year before, respectively, lower than the 15.1 percent and 14.3 percent registered for 1994.

The slowdown in securities investment returns, as well as in interest and rent income, was blamed for the sluggish pace of income growth for urban households.

The average monthly income figure of 1,911,100 won broke down to 1,642,500 won in wages (up 13.4 percent from 1994), 62,800 won in part-time work income (up 20.9 percent), and 205,700 won in securities investment returns, interest and rent income (up 2.7 percent).

The average monthly spending figure of 1,409,100 won included 1,230,600 won in living costs or consumption expenses (up 10.5 percent from 1994), and 178,500 won in miscellaneous expenses, such as tax and interest payments and remittances to family members (up 18.8 percent).

Average monthly education expenses last year soared 19.4 percent from 1994 to 115,000 won, exceeding the 100,000-won mark for the first time ever. School tuition fees rose 8.3 percent to 44,000 won, non-scholastic tuition fees increased 16.3 percent to 45,600 won and expenses for overseas training and preschool education jumped 64.6 percent to 22,100 won.

Staple food expenses fell 1.2 percent to 39,400 won but money spent on eating out soared 18.3 percent to

118,600 won. The overall average figure for monthly food expenses climbed 7.7 percent from 1994 to 353,800 won, accounting for 28.8 percent of total living costs.

Transportation expenses, including expenses for car purchases and maintenance, rose only 3.7 percent to 81,900 won, thanks to a reduced increase in the number of urban household cars in 1995. The growth in the number of such vehicles was only 8 percent last year, compared to the 49.7 percent hike in 1994.

Expenses for leisure and books rose 20.4 percent to 28,200 won.

Disposable income, calculated as overall income minus non-consumption expenses, increased 11.7 percent to 1,732,600 won, with savings representing 29 percent of disposable income, up from 28.2 percent in 1994.

The average propensity to consume, or the cost of living expressed as a percentage of disposable income, slid from 71.8 percent in 1994 to 71 percent last year.

The marginal propensity to consume, or the increase in living costs expressed as a percentage of the increase in disposable income, also fell from 66.2 percent to 64.3 percent during the same period.

The top 20 percent of income earners in 1995 made 4.41 times more than the bottom 20 percent, compared with the 4.42-fold difference recorded in 1994. Thus, Gini's coefficient, a measure of wealth concentration, slid from 0.2845 in 1994 to 0.2837 here last year.

Dual-income households accounted for 31.5 percent of total urban working households and their average monthly income was 2,275,7000 won.

ROK: High-Tech Equipment Used in Election Campaign

SK2803011796 (Internet) The Digital Chosun Ilbo WWW in English 1159 GMT 27 Mar 96

[FBIS Transcribed Text] As the general elections campaigns have gone into full-swing, high-tech election-eering equipment is being deployed. The most popular device being used by candidates, who have been giving public platform speeches since Tuesday, is the multi-vision vehicle equipped with computers, video systems, TV monitors and loud speakers. There are more than 100 candidates using such equipment throughout the country, so much so that it has become a basic essential for running election campaigns. One of the top machines is the RCV (Running Communication Vision). A candidate for the Seoul Tongjak electorate utilized an RCV with 150 inch large screen equipped with a hi-fi audio system in order to broadcast to the people

his vote-appealing speeches. A candidate in the Seoul Kangnam electorate Tuesday night carried out a "lightning blitz" campaign by projecting words and pictures in many different colours through a graphic spotlight onto a 20 meter width and 40 meter height colour screen affixed onto the walls of a department store.

ROK Ministry Reports Computer Systems Projects Through 2000

SK2703053596 Seoul THE KOREA TIMES in English 27 Mar 96 p 8

[FBIS Transcribed Text] All the schools are to be linked to the information superhighway and hooked up to Internet. At least one school in each small city or county will have its students tele-educated by the year 2000.

Personal computers are to be given to all public servants by 1998. Administrative documents are to be exchanged via computer networks among and within government agencies, judicial authorities and the National Assembly.

These are two of 10 major projects that are part of the basic informatization program to be implemented over the next five years, the Information and Communication Ministry reported yesterday.

The government plans to spend some 10 trillion won on the 10 projects — 6 trillion won in the public sector and 4 trillion won in the development of telecommunications equipment as well as computers and in setting up an optical fiber network.

The libraries of Seoul National University, the National Assembly and the National Central Library will be digitized and linked to the information superhighway by the year 2000 so that any one can access them with a personal computer at home or at work.

Local area networks (LANs) are to be installed at all colleges, universities, research institutes and libraries so these may in turn be connected to overseas locations via the superhighway network.

A tele-testing system is to be developed jointly and tele-lecturing will be expanded for colleges and universities.

The government plans to provide 1.3 trillion won in financing to small and medium-sized companies-500 billion won for purchasing information and telecom equipment while 800 billion won will be for the development of telecom technology.

A start-up and market information database is to be put on line for the benefit of small and medium-sized companies. Said firms will be encouraged to engage in data interchanges among similar businesses.

Also, an intelligent transport system is to be developed to provide time-saving traffic information to drivers.

Computerization is also to be used for billing, screening and paying for medical treatment and insurance by 1998.

To protect the environment, the government is to develop an integrated database by 1998 from which environmental information and forecasts may be retrieved.

ROK: Rice Farmland Soars After Government's Subsidies Begin

SK2803023096 (Internet) The Chungang Ilbo WWW in English 28 Mar 96

[FBIS Transcribed Text] Since government subsidies began last year, the area of land used by farmers to grow rice exclusively has shown a sharp rate of increase.

According to the Ministry of Agriculture, Fisheries and Forestry, the area of farmland used by the nation's 7,035 farmers specializing in rice farming reached an average of 11,550 pyong (3.85 ha) per farm last year. This is an increase of 56 percent from 1994 (7,410 pyong or 2.47 ha) before the government subsidy for specialized rice farming began. The area is also 4.7 times larger than the average farmland used by all rice farmers (2,400 pyong).

Also, the number of large farms which grew rice on areas exceeding 15,000 pyong increased to reach 20 percent (1,426 farms) of the total number of rice farms last year from the 6 percent in 1994 (395 farms).

Burma**Burma: Editorial Lauds Good Bilateral Relations With Thailand***BK2703132896 Rangoon THE NEW LIGHT OF MYANMAR in English 19 Mar 96 p 6**[Editorial "A new chapter"]*

[FBIS Transcribed Text] His Excellency Mr Banhan Sinlapa-acha, Prime Minister of the Kingdom of Thailand, accompanied by Khunying Chaemsai Sinlapa-acha, paid an official visit to the Union of Myanmar [Burma] from 17 to 18 March 1996 at the invitation of His Excellency Senior General Than Shwe, Chairman of the State Law and Order Restoration Council and Prime Minister of the Union of Myanmar and Daw Kyaing Kyaing. During their stay in Myanmar, the Thai Prime Minister and party also visited Mandalay and Bagan [Pagan].

Mr Banhan Sinlapa-acha and party were accorded a warm welcome by the Government and people of Myanmar, reflecting the long-existing close bonds of friendship and good neighbourliness between the two countries. Both sides agreed that the official visit marked the beginning of a new chapter in the bilateral relations of Myanmar and Thailand in their efforts to further promote the friendly relations and mutually beneficial cooperation between their two countries and peoples.

Mr Banhan Sinlapa-acha had an official discussion with Senior General Than Shwe on 17 March 1996 in a friendly and constructive atmosphere.

Mr Banhan Sinlapa-acha reiterated that the Royal Thai Government remains strongly committed to an earlier statement that Thailand and Myanmar share a common destiny and that a prosperous and secure Myanmar is vital for Thailand's own stability and well-being.

Senior General Than Shwe reaffirmed that his Government steadfastly adhered to the Principles of Peaceful Coexistence and welcomed the opportunity to consolidate and promote further the existing friendly relations between the two neighbouring countries.

Both sides shared the view that South-East Asia is undergoing a period of unprecedented changes. Mr Banhan Sinlapa-acha expressed his gratification at the participation of Myanmar at the historic Meeting of the ASEAN Heads of Government and the Heads of Government of Cambodia, Laos and Myanmar in Bangkok on 15 December 1995.

Both Prime Ministers reaffirmed their determination to further strengthen all the existing mechanisms for consultation between the two countries.

It was agreed that exchange of visits is instrumental to the promotion of friendship and cooperation between the two countries and should be actively promoted at all levels.

Both Prime Ministers, wholeheartedly welcomed the recent re-opening of the two border checkpoints, namely Tachilek-Maesai, and Kawthaung-Ranong. The border checkpoint at Myawaddy-Maesot will be re-opened on 19 March 1996.

The two Prime Ministers welcomed the signing of the Agreement on Border Trade between Myanmar and Thailand on 17 March 1996, which would help promote trade between the two countries in a more systematic and orderly manner.

During the discussion His Excellency Prime Minister Senior General Than Shwe in view of the existing friendly relations between the two countries and in commemoration of the Fiftieth Anniversary of His Majesty King Phumiphon Adunyadet's Accession to the Throne, the Government of the Union of Myanmar will commute the remaining term of sentence and release 100 Thai prisoners who are presently serving prison terms in Myanmar.

That the Prime Ministers of the two countries have the desires for mutual peace and progress is a matter of utmost importance.

Burma: SLORC Chairman Speaks on Armed Forces Day*BK2703130796 Rangoon TV Myanmar Network in Burmese 0112 GMT 27 Mar 96*

[Speech by Senior General Than Shwe, chairman of the State Law and Order Restoration Council and commander in chief of the Defense Services, at a military parade marking the 51st Armed Forces Day at Resistance Park in Rangoon on 27 March — read by announcer]

[FBIS Translated Excerpt] Comrades: Today's 51st Armed Forces Day is a special and auspicious day for the nation and our Defense Services. At this special and auspicious event to mark the 51st anniversary of the founding of the Defense Services and the launching of the resistance movement against the fascists that we waged hand in hand with the people, I would like to discuss a few serious issues with you. *[passage omitted on independence movement and founding of Defense Services]*

After the country achieved independence, an internal insurgency threat was born. Members of the Defense Services, without regard for their lives, fought and

repulsed internal insurgency and external threats of aggression in order to safeguard the people's lives, homes, and property. The Defense Services, which obtained independence together with the people, have a responsibility to continue safeguarding independence and sovereignty. Our Defense Services have three major responsibilities in ensuring independence and sovereignty until the end of time: National defense, training, and serving the interests of the people forever.

It is necessary for members of our Defense Services to have beliefs and convictions in order to discharge these responsibilities properly. Our three cardinal causes make up our beliefs and convictions — nondisintegration of the union, nondisintegration of national unity, and perpetuation of national sovereignty. We believe that our three main causes are not just for members of our Defense Services, but constitute a national responsibility for the entire nation.

As our Defense Services are a national defense force representing the entire people, there have been instances when our Defense Services have rendered assistance in times of national emergency. The Defense Services have had to assume complete state power on three occasions — as a caretaker government in 1958-59, as the Revolutionary Council in 1962, and as a military government called the State Law and Order Restoration Council [SLORC] since 1988. There was no choice but to assume responsibility as entrusted by history. Had our Defense Services not taken over these responsibilities, comrades, you know and understand that events such as those in 1988 could have led to the disintegration of the nation.

Currently, our Defense Services are shouldering the nation's political, economic, and social responsibilities in addition to their original duty of national defense. We must build our Defense Services into a strong and effective modern defense force in order to discharge these responsibilities successfully and safeguard our nation until the end of time. Building a strong and effective modern defense force is the goal of our Defense Services. To be strong, we need strength in manpower and military equipment. Conscientious youths and citizens such as you, comrades, are fulfilling the need for manpower of your own free will. As for strength in military equipment, this depends on the wealth of the nation. Training is very important in ensuring the full capability of the Defense Services. [passage omitted on importance of training, administrative capability, and morale]

The stability of the state is the most important factor in building a peaceful and modern nation. That is why priority has been given to the stability of the state,

community peace and tranquility, and the prevalence of law and order.

I mentioned earlier that an internal insurgency threat was born along with independence in our country. There have been many instances of division and fighting among our own nationals due to imperialist influence. The SLORC has come to realize that our nation will continue to suffer if we continue to fight. Accordingly, it has worked toward national reconsolidation. Already, 15 armed insurgent groups in the jungle have returned to the legal fold after realizing our correct actions and goodwill. The MTA [Mong Tai Army] armed group, which threatened all of humanity with its consistent production of opium and its narcotics activities, handed over its weapons to the Defense Services and returned to the legal fold after completely giving up its unlawful deeds.

Narcotics pose a threat to the entire world. Many of our Defense Services personnel have risked their lives in their outstanding efforts to fight narcotic drugs. The Defense Services are striving to wipe out the threat of narcotic drugs completely. Development projects are being vigorously implemented in drug producing areas. The fight against narcotic drugs concerns the people of the entire world. It is a huge, expansive, difficult, and delicate undertaking. We will happily welcome any assistance offered with sincere goodwill in this undertaking. If there are no offers of assistance, we will endeavor to the best of our ability to implement the campaign against narcotic drugs, which threaten the entire world.

Comrades, you can see that efforts are being made to build a peaceful and modern nation under the SLORC's leadership in accordance with our political, economic, and social objectives. The nation is now stable and peaceful and positive political, economic, and social foundations are being established. Yet some destructive elements abroad who are envious of our progress are carrying out instigations to undermine our nation. They are plotting and presenting fabrications to prevent the world from gaining an objective view of Myanmar [Burma]. In particular, they are striving to create misunderstanding between the Defense Services and the people by resorting to various means to create divisions. They are trying to undermine the morale of the Defense Services and the people and create confusion.

Some internal elements who are echoing the external destructive elements and who are bent on destruction — like an actor determined to undermine the show after losing the leading role — are trying to obstruct and hinder national construction. The threat posed by

these internal and external elements is large. As for the Defense Services, as our motto says we will not be divided no matter who tries to divide us. We will remain united forever. We will work hand in hand with the people to isolate, oppose, and remove destructive elements.

Comrades, it is not sufficient for you who are shouldering the nation's political, economic, and social responsibilities to have a purely military outlook. It is necessary to have four outlooks, including political, economic, and administrative outlooks. Only then can you effectively and successfully serve in military, political, economic, social, and administrative affairs.

The Defense Services will serve the people forever. Members of our Defense Services must have physical and mental capabilities and qualifications in order to serve the interests of the nation and its citizens forever. The leadership must strive to live and serve in accordance with the 16 attributes of leadership and safeguard the noble traditions of the Defense Services with their lives. They must always adhere to the military code of conduct.

This special 51st Armed Forces Day military parade is being held with four objectives: to give priority to and safeguard the stability of the state, community peace and tranquillity, and the prevalence of law and order; to work to modernize the Defense Services in order to provide full protection for the emerging new, modern, and developed nation; to contribute actively to ensuring the successful realization of the state's political, economic, and social objectives; and unswervingly to achieve the aim of enabling the Defense Services to participate in the political leadership of the future state. These objectives were chosen and laid down by the Defense Services to meet the demands of history and the nation.

Comrades, I conclude my speech by urging you to strive to implement these objectives and to strive actively to build a strong, effective, and modern Defense Services upon which the nation can depend.

Burma: Editorial Hails Government's Antidrug Campaign

BK2703132796 Rangoon THE NEW LIGHT OF MYANMAR in English 15 Mar 96 p 6

[Editorial: "Active Participation of Local Nationals in Anti-Drug Movement"]

[FBIS Transcribed Text] The Union of Myanmar [Burma] has actively been pursuing its anti-drug campaign and its policy regarding narcotic drugs is to combat the danger of narcotic drug abuse in a multi-sectoral approach as a national campaign.

Myanmar upgraded its anti-drug campaign from 1974 onwards and has maintained it as a national task. The Narcotic and Dangerous Drugs Law was passed in 1974. It was further strengthened by amendments in 1983 and 1988. Moreover, the State Law and Order Restoration Council passed the Narcotics Drugs and Psychotropic Substances Law on 27 January 1993.

The Central Committee for Drug Abuse Control (CC-DAC) is the main body for implementing the policy in Myanmar with the Minister for Home Affairs as its Chairman.

There are 10 committees or sectors under the Central Committee and its two main tasks are supply reduction and demand reduction.

The State Law and Order Restoration Council is introducing a new approach by helping the local populace of poppy growing areas by helping them with crop substitution and also by incorporating plans for their participation in the work of the Ministry for Progress of Border Areas and National Races and Development Affairs.

The approach achieved success as local nationals in northern Shan State carried out manual destruction of opium plantations at Tashwetan Village in Kokang region, opium plantations at Haemolon Village in Mongko region and destroyed paraphernalia and precursor chemicals by fire on 8 March.

It was the twelfth destruction of opium plantations, paraphernalia and chemicals with the participation of local nationals who have joined hands with the government in this movement since 1989.

They destroyed 200 acres of poppy plantations in Tashwetan Village and 200 acres in Haemolon Village. They destroyed 218.87 gallons of hydrochloric acid, 135.5 gallons of sulphuric acid, 2,020 gallons of acetic anhydride, 15 gallons of liquid compound [not further specified], 62.99 gallons of lysol, 280 gallons of chloroform, 128.32 kilos of ammonium chloride, 2,600 kilos of sodium carbonate, 500 kilos of coal and 568 items of paraphernalia by fire.

Destroyed altogether in Shan State (North) were 319.55 kilos of heroin, 177.28 kilos of opium, 151 kilos of morphine base, 2,085 gallons of acetic anhydride, 7,736 acres of poppy plantations, 18 refineries and a large volume of chemicals and paraphernalia.

With the active participation of local populace, our relentless efforts against narcotic drugs continue to produce fruitful results.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Abdullah, Croatian Foreign Minister Hold Talks

BK2703133596 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 27 Mar 96

[FBIS Translated Text] Bosnia-Herzegovina and Croatia should fully support the Dayton Accord signed last year to pave the way for the establishment of a Bosnian federation. The support will be important for the reconstruction of Bosnia-Herzegovina. The Malaysian foreign minister expressed the view during talks with the Croatian foreign minister at the Ministry of Foreign Affairs.

Croatian Foreign Minister Mate Granic and his delegation arrived here last night. His talks with his counterpart, Datuk Abdullah Ahmad Badawi, centered on the enhancement of bilateral relations. Malaysia is offering technical cooperation, particularly in investment, as well as cooperation in the construction of houses and electricity generation. Croatia wants to (?share) with Malaysia its expertise in the construction of highways.

Speaking to reporters later, Datuk Abdullah said Croatia regards the visit by Prime Minister Datuk Sri Dr. Mahathir to that country in April as very important.

[Begin Abdullah recording] He considers the prime minister's visit as timely. [end recording]

Malaysia: Croatian Foreign Minister Praises Bilateral Ties

BK2803103596 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Mar 96

[FBIS Transcribed Text] Bilateral relations between Malaysia and Croatia have an excellent chance to develop further in many fields. Croatian Foreign Minister Dr. Mate Granic said Dr. Mahathir Mohamed's visit to Croatia next month would further strengthen existing ties between the two countries, which started their diplomatic ties three years ago.

Dr. Granic said Malaysia and Croatia had a similar approach concerning the Bosnian-Croat federation and Kuala Lumpur played an important role during the Bosnian conflict and also the signing of the Dayton peace agreement. Meanwhile, Croatia had assured Malaysia of its full support for the formation of the Bosnian-Croat federation in ensuring the success of the Dayton peace agreement.

Foreign Minister Datuk Abdullah Haji Ahmad Badawi said the Croatian Government viewed the success of the federation as important to ensure the existence of

Bosnia-Herzegovina as provided for in the peace accord. The Croatian Government will also strive to persuade its people to accept the federation.

Malaysia: Central Bank Governor on 1995 Economic Report

BK2803070696 Kuala Lumpur THE STAR in English 28 Mar 96

[Report by Yap Leng Kuen in Kuala Lumpur — received via Internet]

[FBIS Transcribed Text] The Malaysian economy charted another year of robust growth marked by a substantial increase in investments, mainly for capacity expansion and infrastructure projects, said Bank Negara [Central Bank] Governor Datuk Ahmad Mohamed Don.

Presenting the 1995 Bank Negara Report, he said the economy grew at 9.5 per cent last year compared to 8.7 per cent in 1994.

This represented the eighth consecutive year of growth, making it the longest period of sustained economic growth.

Ahmad added that prospects remained favourable for 1996 with growth projected at a pace which is more sustainable over the medium to longer term.

Malaysia's real Gross Domestic Product (GDP) growth with low inflation is projected at 8.3 per cent in 1996 which will be an important period of consolidation for the economy.

The central bank said 1996 would be a year for the economy to take stock of current issues and deal decisively with them.

Issues confronting the economy include inflationary pressures, promotion of further savings, management of excess liquidity, price stability, tight budgetary controls and increasing efficiency.

For 1996, the favourable rate of growth is expected to be matched by the government's positive financial position and improvement in the balance of payments in which import growth is likely to moderate while growth in merchandise exports is sustained.

To further improve the balance of payments' position and halt the drain on reserves, policies are likely to be introduced to improve the services account and plug the outflows in terms of profits and dividends overseas.

The banking system recorded increased profitability, contributed by a reduction in two items — interest-in-suspense and provision for bad debts.

As part of a broad plan to improve the competitiveness of the banking system, Bank Negara aims to see that banks have an adequate capital base, market discipline and risk management systems.

Bank Negara's financial position improved slightly; after a net operating loss of RM668 million (Malaysian ringgit) in 1994, it registered a RM50.8 million net operating profit in 1995.

It also announced two sets of guidelines, namely, for priority lending by banks and finance companies and to qualify for Tier One status by finance companies.

Malaysia: Central Bank's View of Current Account Deficit Viewed

*BK2803074696 Kuala Lumpur THE STAR in English
28 Mar 96*

[Report by Wong Sulong in Kuala Lumpur — received via Internet]

[FBIS Transcribed Text] Malaysia's current account deficit worsened in 1995 and because of its size it would be around with us for a few more years, according to Bank Negara (Central Bank).

For 1995, the current account deficit deteriorated sharply to RM (Malaysian ringgit) 17.8 billion from RM11 billion in 1994.

Big as it is, the figure came in on the lower end of estimates of private sector analysts some of whom had predicted a deficit of as high as RM19 billion.

According to Bank Negara, the 1995 deficit represented 8.8 per cent of gross national product (GNP), compared with 6.2 per cent for 1994.

While the central bank acknowledged that the deficit was an issue that demanded serious attention, it dismissed concerns of pessimistic analysts who had painted some pretty gloomy consequences for the Malaysian economy.

The bank's projections provide some comfort to the current account deficit which is expected to fall to RM17 billion for the current year, equivalent to 7.5 per cent of GNP.

The main reason for the deterioration in the 1995 deficit was the relatively poorer performance of exports versus imports.

Traditionally, Malaysia enjoys a big surplus on the merchandise account; that is the country's exports far exceed its imports.

For last year, the merchandise account surplus was only RM600 million compared with RM4.6 billion in 1994 and RM8.2 billion in 1993.

There are basically two reasons why Bank Negara is taking a more sanguine view of the current account deficit situation.

First, in a rapidly developing country like ours, there will be fairly big swings in the balance of payments picture over a period of say 10 years.

Countries like Japan, South Korea and Taiwan experienced those swings during their development periods in the 1960s, 1970s and 1980s.

This is because these countries imported huge amounts of capital goods during those years to sustain their export-led economic growth.

And their deficits started coming down, and even turned around into surpluses as their exports began to grow.

Second, a big portion of Malaysia's current account deficit can be sourced back to the private sector corporations which have been importing capital goods to fuel their expansion.

The government and Bank Negara have nevertheless taken several measures during the past two years to tackle the current account deficit to ensure it does not trigger off the sort of unpleasant economic scenarios speculated by foreign analysts.

These measures included a gradual rise in interest rates, and efforts taken to discourage consumption and property speculation, as well as keeping a close watch on the so-called mega projects.

The bank has identified the imports of intermediate goods as a major component of the deficit in the services account.

The government feels that these intermediate goods can be produced locally — hence the official policy of active promotion of small- and medium-sized enterprises.

Malaysia: Central Bank Expected To Tighten Monetary Policy

*BK2803075096 Kuala Lumpur THE STAR in English
28 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Bank Negara (Central Bank) will pursue a policy of monetary tightening in 1996 and does not encourage large amounts of short-term capital that can be destabilising, its Governor Datuk Ahmad Mohd (Mohamed) Don said.

He added that Bank Negara was monitoring closely the rate of loans growth and the higher interest rates in the second half of last year reflected that concern.

In 1995, domestic interest rates moved upwards in stages; this trend was evident since October 1994 and reflected the policy of monetary tightening.

The relaxation of monetary policy by major industrial countries in 1995 contributed to a higher growth in world liquidity.

Monetary easing was especially significant in the second half of the year.

The developing countries continued to record a faster accumulation of foreign exchange reserves than the industrial countries, reflecting mainly the surge in capital flows into East Asia, Latin America and East Europe.

For Malaysia, the flow of capital funds expanded by 31.9 per cent to RM [Malaysian ringgit] 85.5 billion in 1995 reflecting strong economic activity.

The capital account registered a larger net inflow of RM16.3 billion in 1995 compared with RM4 billion in 1994.

This was due to the larger surplus of net long term capital and the reversal in the short term capital flows.

Following the gradual unwinding of substantial short term capital that had flowed in towards the end of 1993 and early part of 1994, short term capital reversed to record a small net outflow of RM734 million in 1995.

Long term capital flows in the form of net corporate investment remained high at RM10 billion in 1995 (RM11.4 billion in 1994).

However, the net official long term capital recorded a larger net inflow of RM5.6 billion (RM500 million in 1994) reflecting increased external borrowing by some non-financial public enterprises.

Singapore

Singapore: Croatian Deputy Premier Pays Three-Day Visit

BK2703124296 Singapore Radio Corporation of Singapore in English 1000 GMT 27 Mar 96

[FBIS Transcribed Text] The Croatian deputy prime minister, Dr. Mate Granic, will be in Singapore for a three-day visit from tomorrow. It is the first official visit by a Croatian leader to Singapore since the two countries established diplomatic relations about three years ago.

Cambodia

Cambodia: Contact Made With Kidnappers of Briton in North

BK2803134496 Hong Kong AFP in English 1334 GMT 28 Mar 96

[FBIS Transcribed Text] Siem Reap, Cambodia, March 28 (AFP) — Villagers in northern Cambodia have contacted a band of Khmer Rouge renegades holding a British deminer and his Cambodian translator hostage, a senior government official said Thursday.

Christopher Howes, 36, from Bristol, England and his Cambodian interpreter Houn Hurth were being held about 50 kilometers (35 miles) from here in Varin district, said Hem Bunheng, a provincial deputy governor.

The official said he had spoken with three women who had walked into the dense jungle with a small group of villagers and contacted the kidnappers at Phnom Changkran Roi (100 Stoves Mountain).

"We don't know the conditions, no ransom has been asked for (yet)," Hem Bunheng said, adding he was 80 percent confident that negotiations to begin Friday would reach a settlement and bloodshed would be avoided.

"Tomorrow the villagers will return and begin talking," he said.

The women had not seen the hostages, but the group of 33 kidnappers had assured them they were still in good health, he said.

Howes and 26 Cambodian deminers, all employees of the British-based Mines Advisory Group (MAG) were abducted Tuesday while demining a road-side pagoda about 25 kilometers from the ancient temple complex at Angkor Wat.

The kidnappers initially demanded a ransom of 100,000 baht (\$4,000) for the Cambodian deminers, but they were released after Howes refused to act as a courier for the ransom money and he and his translator agreed to stay in their place.

The hostage-takers are believed to be Khmer Rouge defectors who were integrated into the Cambodian army, but who deserted their post near the Thai border in Poipet where the army is conducting an offensive against their former comrades.

"I don't know for sure if they are Khmer Rouge or not," Hem Bunheng said, adding the villagers said they were wearing a mix of civilian clothes, some government military and some Khmer Rouge uniforms.

But the government was still concerned that the Khmer Rouge leadership would attempt to turn the hostage situation into a political issue.

The guerrillas have a notorious reputation for dealing with captives, whom they regard as symbols of foreign interference.

Of seven foreigners kidnapped prior to this incident in the past two years, only one was released. The others were murdered.

MAG and another British demining group, the Halo Trust, have announced a 48-hour cessation of operations across the country in protest over the abductions. They stressed that the move was not over security fears.

"To show solidarity and to give a cooling off period we will reassess (our position) after 48 hours," Leonard Kaminski, country director for Halo Trust, said. He added that the groups hoped to involve Cambodian and French deminers in the gesture.

Some 400 police and soldiers have formed a loose cordon around the mountain in an attempt to keep the hostages from being moved.

Two policemen were killed during the search for the hostages when one of them stepped on a landmine Wednesday. "They died trying to save the Englishman," one of their colleagues said.

Cambodia: Ranariddh Leaves for Investment Trip to Hong Kong

*BK2803042696 Phnom Penh National Radio of Cambodia Network in Cambodian
0200 GMT 28 Mar 96*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia (RGC), left for Hong Kong on the morning of 27 March.

Seeing the prince krompreah off at the Pochentong army air base were His Excellency (H.E.) Loy Simchheang, first vice chairman of the National Assembly; H.E. Ing Kiet, deputy prime minister and minister of public works and transport, as well as several other state ministers, ministers, state secretaries, under state secretaries, and MP's.

During his visit from 27 and 28 March, the prince krompreah will meet with Hong Kong businessmen and invite them to invest in the Kingdom of Cambodia.

Prince Krompreah Norodom Ranariddh will return home on 29 March.

Cambodia: 'Showpiece' Development Deal Said 'Teetering'

*BK2703132396 Phnom Penh PHNOM PENH POST
in English 22 Mar-4 Apr 96 pp 1, 12*

[Report by Imran Vittachi]

[FBIS Transcribed Text] The Government's showpiece \$1.3 billion Sihanoukville development deal with Malaysian company Ariston is teetering.

A \$2 million installment due by Ariston is three and a half months overdue because the Malaysians are insisting — as per the January deal — that the government pass the Casino Law first.

Once that's passed, Ariston will have a gaming monopoly in Cambodia.

Diplomats and lawyers spoken to by the POST say that FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] — whose leader Prince Norodom Ranariddh is seen as the driving force behind the deal — need CPP's [Cambodian People's Party] numbers in Parliament to have the law approved.

CPP, they say, has little interest in legitimizing a deal that would outlaw other casinos — at least one of which, the Holiday International, has been operating on a license granted before the elections.

One diplomat said: "There are other casinos which got licenses before the Royal Government came into being with the UNTAC [UN Transitional Authority in Cambodia] elections."

"They have the backing of very strong interests here, and have been operating because they have been providing kickbacks.

"Now you take the Control Law to the National Assembly, what do you achieve?" he said. "To pass a bill into law, a two-thirds majority is needed in the House, but CPP controls that majority. It's a question of mathematics."

When Ariston signed Cambodia's biggest foreign investment deal in January 1995 it paid the government \$3 million — the first of a series of installments totaling \$103 million that Ariston must pay by the year 2008.

According to the contract, seen by the POST, Ariston does not have to begin paying the other installments until the Casino Law — giving it exclusive rights to run a casino — is passed.

That should have been done already, which would have required Ariston to pay the second installment of \$2 million by Dec 5.

"The Control Law has to be passed first before Ariston can begin to pay its installments," said Tan Teng Chye, the firm's Project Director, in an official statement from Ariston's Kuala Lumpur headquarters.

"As far as payments are concerned, we have met all our financial obligations," he said.

"As of today, \$3 million has been sent directly to the Council for Development of Cambodia (CDC), which transferred the money to the Treasury of Cambodia," said CDC Secretary General Chanthol Sun. "This money will be used for public investments."

He did not say if Ariston had paid the December installment of \$2 million.

Chanthol said he only signed the deal in the absence of Tourism Minister Veng Sereivut, and referred all inquiries to Sereivut. Officials in the Tourism Ministry said all questions should go back to Chanthol, saying he signed it.

"Nobody from Ariston came and made contract with our ministry," said Tram Iv-toek, secretary of state for public works. "We do not have a copy of the contract. Mr Chanthol Sun is responsible for preparing the contract."

"This contract was signed by CDC," said Dr Thong Khon, secretary of state for tourism. "CDC should be responsible and oversee all aspects of the development of Sihanoukville."

A Ministry of Finance official, who asked not to be named, said that the Cambodian Treasury had not received the second installment, but that further payments on the premium were expected.

He said that a letter had been sent to the Council to inquire about why the cheque had not yet made its way to the Treasury.

According to one international observer, it is in Ariston's interests to ensure that the government pass the Control Law, but it must pay for its privileges.

"With the signing of the contract, Ariston was given (casino) exclusivity, but the premiums are due from the day the contract was signed. The Royal Government also has an obligation to effectively implement this exclusivity clause. This will be enforced through the enactment of the Control Law.

"This exclusivity clause will allow Ariston to recover its investment of \$1.3 billion in 20 years through the profits which will pour out of the casino."

Once the law is passed, Ariston will have a 70-year casino license. The first 20 years will be exclusive, as long as it keeps up its payments.

One lawyer who would not be named said that the lack of a Casino Law was an effective "escape" for the government.

"So, in fact, this whole agreement is no agreement at all. The government could walk away from this document."

A draft of the law had already been prepared by the Ministry of Tourism in August 1994 when it was tendering internationally for the Sihanoukville project, he said.

However, although an anti-gambling law had been passed cracking down on illegal betting shops and the like, a casino Control Law — which should place strict regulations and scrutiny on casinos — had not, he said.

Asked why Ranariddh had recently criticized Ariston for not working more quickly on the Sihanoukville project, Cabinet spokesman Li Thuch denied that failure to pay the \$2 million installment had anything to do with it.

"(Ranariddh) was concerned about the slow progress in technical aspects of the contract with Ariston. There are some technical arrangements which need to be done on both sides in order to speed up the implementation of the project."

"It is rather late for Mr Ranariddh to wake up over this issue," said one international observer. "He wanted Sihanoukville to be a showcase of what FUNCINPEC could do for this country, but it's getting desperate with the 1998 general election approaching fast."

"It is not in Ranariddh's interest to cancel the deal. For all purposes, he'll be made to look ridiculous."

"Either way, Ariston is in a win-win situation," he added. "They are still able to operate a floating casino in Phnom Penh without having to pay any premiums."

Ariston meanwhile has assured that the deal will not fall through.

"We are not late in the development of the Sihanoukville development project... Ariston Sdn Bhd will complete and deliver in 1997 the following main components of the project: the hotel complex on Naga Island; the upgraded Kang Keng Airport; the Independent Power Plant; and an additional 200 rooms plus an 18-hole golf course," the company statement said.

One observer is convinced that come the next general election, Prince Ranariddh will take the fall for not delivering on the Sihanoukville scheme. He said Ariston was a lot closer to the Second PM [prime minister] than many people think. Hun Sen and the Malaysians are, he said, "staunch allies."

"Notice how Hun Sen has kept quiet over Ariston, yet he's been critical of SGS [expansion unknown] and RAC [Royal Air Cambodge]. Look, to the ordinary Khmer voter, Royal Air Cambodge is a Cambodian company, but Naga Island and Ariston is a Malaysian operation."

"CPP is offering Ariston a chance to operate a casino without paying the premium. Hun Sen is not going to hurt Ariston," he said.

"Ariston has sufficient clout in Malaysian political circles — and the Malaysians know well who's ruling the country."

Cambodia: Article Views Royal Succession Issue

BK2703145596 Phnom Penh PHNOM PENH POST in English 22 Mar-4 Apr 96 p 5

[Report by Jason Barber]

[FBIS Transcribed Text] Prince Norodom Ranariddh will be named the "historic leader" of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] — intended to cement his position there for as long as he wants — amid fears that the party will be left leaderless should he become King.

The move, expected at a two-day FUNCINPEC party congress which was due to open in Phnom Penh yesterday [22 March], comes after renewed speculation over who will succeed King Norodom Sihanouk upon his death.

King Sihanouk — in a newspaper interview this month — revealed he supported Ranariddh as his heir to the throne, but expressed concern that FUNCINPEC would "disappear" if and when that happened.

FUNCINPEC Secretary-General Loy Simchheang said this week that the 4,500-5,000 people expected to attend the party congress would be asked to "support the personality and the leadership of Prince Ranariddh."

Ranariddh would be given a new, extended mandate of five years as party president, but also named as historic leader, meaning "he can continue for how ever many years."

Simchheang, while reluctant to comment directly on the King's statements, said: "If in the future, something happens, I'm sure Prince Ranariddh will submit the matter for discussion in the (FUNCINPEC) steering committee."

"We wish that the King has a long life, because we need him. We at FUNCINPEC consider the King as our father and the Queen as our mother."

Ranariddh, for his part, said he doesn't want to be King upon his father's death.

"As Buddhists, we shouldn't talk about succession and so on," Ranariddh told reporters Mar 11.

"At this time, he is in very good health...we need him to continue to lead us."

"Finally I do not have any desire to be King," he said, adding: "it's very important to talk about FUNCINPEC. You know we're talking about democracy, pluralism. There is democracy and pluralism (now)...."

In a Mar 8 letter to Ranariddh, three days before he returned to Cambodia, King Sihanouk wrote that his health problems, some of which were "particularly serious", would one day lead him to be incapable of continuing his work as King.

He revealed that doctors had identified a lesion on his brain, a hardening of his arteries and an increased fat level in his liver.

Noting that his future was "seriously mortgaged", the King said his health would "inevitably lead one day to my incapacitation to work to serve our country and its well-loved and respected people."

When that happened, he said, National Assembly President Chea Sim would take over duties as head of state as Regent.

The King said upon his own death, his successor would be chosen by the Royal Council of the Throne in accordance with the Constitution.

The King's letter came after a CAMBODIA DAILY interview this month in which he spoke of Ranariddh becoming King, with the support of Cambodian People's Party (CPP) leader Hun Sen, to the detriment of FUNCINPEC.

Among the King's statements were that:

— CPP was gaining popularity and "for many reasons" might win the next election, with Hun Sen becoming the sole Prime Minister.

— If he (King Sihanouk) died before the election, "Ranariddh will be King" and that Hun Sen had told Ranariddh he wanted him to be King.

"FUNCINPEC would disappear and you would have a very powerful head of parliament and party. FUNCINPEC would disappear as Ranariddh would be King, and a King must not have a party, even indirectly."

— Exiled Prince Norodom Sirivut "might have been the best successor" as FUNCINPEC President but "since Sirivut is 'politically liquidated' and Hun Sen is unlikely

to pardon him for another 20 years, that possibility is out. I fear FUNCINPEC will disappear."

— Ranariddh wanted to be King and "I think he will be happier to be a King."

"I have encouraged him. I said to him after he told me that Hun Sen told him he wished him to be the next King.... When I die, please replace me. Never continue to be Prime Minister, even the only Prime Minister. It will be good for you to be King because as King it will be easier to have a clean reputation."

— Queen Monique "refuses definitely to succeed me, and if she did, would require drastic changes to the Constitution."

— Astrologers had predicted he (King Sihanouk) would die at age 74, (he is currently 73).

"Everyone must die but the important thing...is to win the last battle. The astrologers have predicted that I will die but also that I will win the last battle."

The King's interview, and his subsequent letter about his ill-health, ignited considerable speculation among political watchers and politicians.

Some saw his statements as reaction to recent support for the idea of the Queen becoming the reigning Monarch. Others perceive the King as trying to protect Ranariddh, and give him a secure future in an uncertain political environment. Some viewed him as intending to snub Ranariddh, along the lines of "your party is in tatters."

One observer suggested it was also a message to Hun Sen, from a "old fox" to a "young fox", to "please restrain yourself a bit."

The King's suggestion of a possible Chea Sim regency was viewed with particular significance. Chea Sim is widely seen as part of a potential rival bloc within CPP to Hun Sen.

Some observers suggested health reasons could, in the future, be cited by the King to allow him to "abdicate without abdicating" — making Chea Sim Regent, freeing the King from his responsibilities and Constitutional obligations.

The consensus among all observers spoken to by the POST was that the King was in relative good health for his age.

"I think he could live five years," said one person who had seen the King recently.

"He still has some time to achieve his objectives before his death, to bring peace to his nation, to achieve

reconciliation and to be remembered as such," said one Cambodian observer.

Within FUNCINPEC, party members acknowledged there would be a leadership gap if Ranariddh left to become King.

"You should ask Ranariddh. If he becomes King, who does he want to replace him? He has to prepare for this," said one MP.

Another said there were alternatives to Ranariddh leaving FUNCINPEC and "he must understand that this is the policy of CPP, that they prefer him to become King."

Other possibilities suggested by the MP included constitutional changes to allow Queen Monique to be the reigning Monarch, or to introduce a presidential system whereby Ranariddh could be King and president of Cambodia, while Hun Sen remained Prime Minister.

"For a long time it was very sensitive to talk about the post- Sihanouk period. Now, for the first time we can talk about this. Why not? It is good."

MPs and observers expressed concern for political stability if, by the time of the King's death, the Constitutional Council and a fully independent judiciary was not in place.

Under the Constitution, the King has no right to name the heir to the throne. Within seven days of the King's death, the Royal successor must be chosen by a seven-member Royal Council of Throne, in accordance with a law (which has yet to be passed).

Cambodia: Possible Ranariddh-Sam Rangsi Reconciliation Viewed

BK2703141096 Phnom Penh PHNOM PENH POST in English 22 Mar-4 Apr 96 pp 1, 4

[Report by Jason Barber]

[FBIS Transcribed Text] Frosty relations between FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Prime Minister Prince Norodom Ranariddh and Sam Rangsi have thawed, following what was widely seen as an increasing divide between Ranariddh and Co-Prime Minister Hun Sen.

One FUNCINPEC MP this week called for Ranariddh to consider an alliance with Rangsi's Khmer Nation Party (KNP), while others were hopeful that reconciliation between the two was in the air.

Rangsi, along with some Buddhist Liberal Democratic Party members, has rallied behind Ranariddh's recent

outspokenness against Vietnam over alleged border infringements.

Political observers say Ranariddh appears to be posturing for political gain, intent on showing FUNCINPEC's individuality from its Cambodian People's Party (CPP) coalition partner. Ranariddh's comments, in the run-up to a FUNCINPEC congress this week, follow recent strains between FUNCINPEC and CPP over issues such as the return of the January 7 public holiday.

Hun Sen has remained publicly subdued on the border complaints, urging peaceful negotiations, but noted that if anyone wanted to "fight for Kampuchea Krom (southern Vietnam)... I'll prepare coffins for them."

Meanwhile, King Norodom Sihanouk — in a widely publicized interview in the CAMBODIA DAILY which named Ranariddh as his preferred successor — sent an apparent warning to FUNCINPEC to prepare its future strategy or be doomed to "disappear".

FUNCINPEC MP Ahmad Yahya this week urged Ranariddh to press for government recognition of the banned KNP, regardless of whether FUNCINPEC wanted to align itself with the Rangsi party.

"I believe the best way to keep the members of FUNCINPEC happy and to have a future, Prince Ranariddh has to find a way to recognize KNP, and one day become a coalition with KNP."

Yahya qualified his statement by adding that if FUNCINPEC members did not want an alliance with KNP, then the party should remain in coalition with CPP.

"FUNCINPEC cannot win the (1998) election alone. Either they make a coalition with CPP or they make a coalition with KNP."

Hopes of a truce between Rangsi and Ranariddh — who was the key force behind the former's expulsion from FUNCINPEC and the National Assembly last year — emerged after an encounter with each other at Pochentong Airport while awaiting the King's arrival on Mar 11.

Rangsi and KNP Secretary-General Khieu Rada raised their hands in a sampeah (traditional Khmer greeting of respect) toward Ranariddh. They spoke together for several minutes on the tarmac, while Hun Sen remained in the airport VIP lounge.

"It was the first time," another FUNCINPEC MP, who would not be named, said of the airport scene. "I think everybody felt this was a sign of reconciliation."

On an alliance between FUNCINPEC and KNP, the MP said: "People don't talk about that but if it really happened, people would be happy."

"Sam Rangsi says he is Royalist too. If he makes some concessions, not only for himself but for others... who knows?"

Rangsi said this week that the basis of the discussion between himself, Rada and Ranariddh was that "I have much more in common with Prince Ranariddh than with Hun Sen."

"If I had to choose between the two, if for one reason or another KNP cannot be an alternative... I would choose Prince Ranariddh."

On any FUNCINPEC-KNP alliance, he said: "It's too early to say, but there are hints, indications, that KNP and FUNCINPEC can move closer together."

"What we have in common is principles. The only difference is that FUNCINPEC does not implement these principles fully."

"I think Hun Sen is very shrewd but we — Prince Ranariddh and myself — feel that he is not sincere, not a true democrat. We have this in common."

Asked if he and Ranariddh could put the past behind them to work together again, Rangsi said that Cambodia's development was "far beyond personal considerations".

"I think Prince Ranariddh knows me very well. He knows what is important is national reconciliation."

Ranariddh's FUNCINPEC deputy, secretary-general Loy Simchheang, said: "We don't like to create enemies. If every party works very well for the national interests, we have to have discussions (with them)."

Simchheang said FUNCINPEC was "not yet thinking about reconciliation" with Rangsi. "But he is a Cambodian. At least we can say hello or good morning to him."

"But his political line is different from ours. He is very extreme. The democratic regime and the democratic law is very difficult. It means we have to go step by step and Rangsi, he likes to go fast."

Simchheang noted that Rangsi had this week praised Ranariddh for his comments about the Vietnam border, but also publicly predicted that FUNCINPEC would disintegrate.

"Sam Rangsi changes all the time... I don't know who Sam Rangsi's friends are."

Simchheang, asked whether KNP should be recognized as being legal, said the party had to meet the requirements of either the UNTAC [UN Transitional Authority in Cambodia] electoral law or a new law yet to be drafted by the government.

"I hope that if he respects at least the UNTAC law, the government will accept his case. But I'm not sure that he respects it or not."

No-one is predicting any imminent alliance with KNP. To the contrary, a FUNCINPEC party congress this week is likely to reaffirm a commitment to working with CPP.

But one close observer of politics said he wouldn't be surprised of a closer link between FUNCINPEC and KNP in the future, "perhaps with a helping hand from friends."

He referred to "family connections" — Sam Rangsi's father-in-law, Nhoek Chulong, is one of the most senior advisers to FUNCINPEC founder King Sihanouk.

The observer said there was speculation about a so-called 'union of liberal forces', a formal or informal alliance which could be created across a wide political spectrum. There was a belief that people in several political parties who were opposed to certain elements within the government had to band together to make an effective opposition, he said.

Cambodia: Prospects for FUNCINPEC Viewed

*BK2703151096 Phnom Penh PHNOM PENH POST
in English 22 Mar-4 Apr 96 pp 4, 5*

[Report by Jason Barber]

[FBIS Transcribed Text] While Hun Sen was drawing up a government decree to reintroduce the January 7 holiday, fellow Prime Minister [PM] Prince Norodom Ranariddh was hurriedly planning a trip overseas.

Ranariddh, less than eager to sign the decree, was on his way to Pochentong airport when Hun Sen learnt of his movement. An aide of Hun Sen's, clutching the holiday decree, was dispatched to intercept Ranariddh before he could leave the country. Ranariddh signed.

The incident — as retold by Ranariddh in private explanations to FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] officials — again highlighted the cracks in the government coalition.

In what seemed a familiar story, FUNCINPEC buckled under the weight of its Cambodian People's Party (CPP) partner. Hun Sen got his way, and his day, while Ranariddh went abroad.

The Jan 7 holiday, Hun Sen emphasized, was meant to celebrate the 1979 ousting of the brutal Khmer Rouge regime. But to the "handful of people" with "some hesitation" about the holiday, as Hun Sen said in one speech, it also symbolized the start of a 10-

year Vietnamese occupation of Cambodia — which FUNCINPEC fought.

Whatever was celebrated on Jan 7 — spent by Ranariddh in Singapore, missing the fanfare and speeches at Phnom Penh's new Hun Sen Park and at CPP headquarters — it didn't seem to be Cambodia's much-vaunted "national reconciliation" and "political stability".

Perhaps what the holiday most importantly marked, according to some in FUNCINPEC at least, was a drawing of the lines between FUNCINPEC and CPP.

The entire FUNCINPEC steering committee, bar Ranariddh, sent an unprecedented letter of concern to the King about the holiday. Ranariddh himself later seemed to rediscover a desire for the political limelight, denouncing Vietnamese encroachments on Khmer land as an "invasion" — a sure reminder of the 1979 occupation which CPP was borne out of.

Is FUNCINPEC fighting back, determined to restamp its identity on the public mind, awakened to the realization that its future is by no means secure? Some would like to think so.

"There are limits to concessions," says one FUNCINPEC MP. "We cannot negotiate over principles. Sure, we can negotiate over positions, policies, facts, but principles should not be touched."

The Jan 7 holiday, says the MP, "touches on the identity of FUNCINPEC itself."

The MP maintains that FUNCINPEC did stand up to CPP over its request to bring back the holiday — by giving what he terms a "half no, half yes" answer.

Concessions were made by CPP, he says: the holiday decree was signed by the Prime Ministers, not by the King, and Jan 7 was not made a "national day" like Nov 9, Independence Day.

Why didn't FUNCINPEC — and the King, who officially proposed the holiday's revival at CPP's request — just say no?

"To keep them quiet, smooth," says the MP, noting the earlier arrest and exile of FUNCINPEC secretary-general Prince Norodom Sirivut.

"At any time the CPP can show their attitude of violence. We understand that again this is a kind of sacrifice. It was based on the wisdom that if we didn't, we could expect a lot more disasters."

Whatever the circumstances of Jan 7's reinstatement — and certainly some suggest there was more to the

story — this MP, at least, believes FUNCINPEC was the ultimate winner.

"Since Jan 7, FUNCINPEC is refreshed, we have reiterated the position, the identity of FUNCINPEC. We were rearmed, morally speaking."

Other FUNCINPEC members are a little less sure, and less forgiving to Ranariddh.

"Who cares about that story (of Ranariddh trying to avoid signing the decree)?" said one. "If he didn't want to sign it, he shouldn't have signed it."

"If Ranariddh is a man who has his own principles, why now? Why not before?"

One answer is that now is a good time. FUNCINPEC's identity, its past and its future, will be on the minds of all who attend this week's party congress in Phnom Penh, which opened yesterday [22 March], the 15th anniversary of FUNCINPEC's creation as an anti-Vietnamese resistance front.

FUNCINPEC has much to think about. For the party which won the last election, the road to power has been full of potholes. In making "major political sacrifices for the sake of peace and national reconciliation" — as a party statement in January put it — FUNCINPEC is perceived as failing to secure equal weight with CPP.

It has lost several popular figures: Sam Rangsai, banished from party and parliament after internal (?frictions); and Norodom Sirivut, dispatched into exile in the most controversial of circumstances.

Now, it seems, it is official: FUNCINPEC is fighting for its very existence. The recent pronouncements by King Norodom Sihanouk painted a grim future for the party he founded: CPP likely to win the next election, Ranariddh to become King — with the support of Hun Sen — upon Sihanouk's death, and FUNCINPEC destined to "disappear."

Controversy and political fireworks are unlikely at the party congress, particularly with Sirivut, a Ranariddh rival, languishing in France. One party cynic suggested the main thing on the agenda would be a lot of clapping.

But with the King's message ringing in their ears, FUNCINPEC MPs, officials and the party faithful who want to remain that way will be looking for reassurances that they have a future.

They will no doubt get them from Ranariddh but he is unlikely to reveal much of what his vision, however firm, for the future is. FUNCINPEC is likely to go on as it has so far — putting its faith, and hoping that it's not blind, in Ranariddh.

One MP, speaking of "very frustrated" elements within FUNCINPEC, says: "Prince Ranariddh advises us that he has his own policy. He asks that FUNCINPEC members have confidence in him, so we give him the opportunity and we will see what happens in '98."

Another MP saw promising signs, saying: "We have heard for a long time that Ranariddh cannot give what we need to meet our expectations, that he can understand our frustrations."

"Maybe this is the first time he can show part of his strategy," he said of Ranariddh's apparent desire recently to distinguish FUNCINPEC from CPP. "This can make him stronger."

Publicly, the FUNCINPEC-CPP coalition is firm, with Ranariddh and Hun Sen committed to a coalition after the next election — and until the year 2010 according to Hun Sen. The key question is how the parties will campaign for votes.

Sirivut, before his exile, spoke out against any "pre-arrangement" for FUNCINPEC and CPP to compete less than vigorously against each other.

Perhaps the biggest barrier to any such arrangement is the Constitutional requirement that there be only one Prime Minister after the 1998 election: a convincing reason for the parties, and leaders, to vie strongly for votes.

"Technically speaking, it's not possible," said one MP of any prior agreement. "How do you get one PM?"

FUNCINPEC is said to be committed, win or lose, whether Ranariddh is Prime Minister or not, to continuing a coalition after the election. If it wins, it might have little choice — as after the 1993 election — but can the same be said for Hun Sen?

"We have to study the alternatives now," says the MP. "If we win, no problem, we continue with a coalition."

"If we lose, first we have to accept it and second, we have to work together. But whether Hun Sen will accept a coalition or not? That's why we hope to continue good relations between FUNCINPEC and CPP now."

Loy Simchheang, Sirivut's replacement as FUNCINPEC's secretary general, says the party's campaign strategy has yet to be decided.

The closest the party congress will get to considering that will be to endorse the principles of fully respecting the Constitution, allowing foreign electoral observers and seeking neutrality from the police and military during the election period.

"Myself, I think just to protect democracy is a good wish for us already," said Loy Simchheang. "If we don't care for this regime, it will collapse."

Most observers expect the FUNCINPEC-CPP alliance to survive for the foreseeable future but there is skepticism that the "marriage of convenience", as one put it, will last to see too many anniversaries.

Some suggest the bedfellows have an inherent distrust of each other — a "those who left and those who stayed behind" attitude toward the Vietnamese occupation — which must be overcome for national reconciliation.

Much of FUNCINPEC's hierarchy are returnees who spent years abroad, while CPP's ran the country after the Vietnamese invasion. Is there an "us and them" attitude?

"From the Cambodian people, no," says one FUNCINPEC MP, a former refugee. "Everybody has some family outside Cambodia, so they don't reject us."

"But from the (CPP) politicians, yes, in their attitude and in their laws. You can't talk about the resistance, you can't talk about the CPP occupation — everything against the identity of the CPP is banned by them."

"While any party tries to preserve their identity, it's difficult to get unity that way."

The MP says some in CPP perceive returning overseas Khmers as people coming back to demand big salaries and tell them what to do.

"But they bring back money and expertise. It's a kind of an investment to me, but the government side doesn't talk about it like that. We have to integrate the Cambodian community overseas, otherwise there is no national reconciliation."

One Phnom Penh diplomat believes the Sirivut affair, for instance, was a warning to a variety of people, including "foreign passport holders" — a category which includes Sam Rangsi and, ultimately, Ranariddh, who holds a French passport.

Though Sirivut was an ironic target — he has no other citizenship — the message was clear to those with links to other countries: you can go back there.

There have also long been rumors — never expressed officially, and unlikely to be as long as Ranariddh is a Prime Minister — that CPP wants dual-citizenship Cambodians to have to give up one passport by law.

Other politicians and observers say FUNCINPEC can by no means take the high moral ground in any debate about returnees. They accuse some in FUNCINPEC of being more interested in status and money than concern for Cambodia.

One observer, associated with FUNCINPEC dissidents, says senior government officials who held "jobs of no station" during their time abroad enjoy and expect to be "treated as Kings" in senior positions in Cambodia.

As long as they are interested in the job perks, and know they can return abroad if needed, they will never be committed to Cambodia, according to the observer.

"You only fight back if you have your back against the wall. If you have a hole in the wall (the opportunity to live in another country), you know you can go whoomph through the hole at any time."

"The only difference (if they leave) is that they will have a lot more money than when they arrived."

There is some pressure within FUNCINPEC for it to clean up its nest.

"FUNCINPEC needs to be refreshed, to remove some bad elements, some corrupt people. There needs to be a kind of repainting," says one MP.

A failure to do that only adds to the frustrations of good FUNCINPEC officials, who could turn their backs on Cambodia.

"Before, when I came back to Cambodia I felt proud to put my hands, my head and my heart into being a part of the development of Cambodia," says one FUNCINPEC returnee. "Now I feel I have wasted my time."

"For those who have high hopes for Cambodia, and those that can support their standard of living here, they will stay. The people who don't have high hopes any more, and have difficulty in their standard of living, they will pack their bags and leave."

A true test of FUNCINPEC members and supporters' loyalty and faith will come in the election campaign.

One party member says that, during the 1993 election, "I borrowed money, which I still haven't paid back, to help FUNCINPEC. You think I'm going to make that sacrifice again? I cannot."

"After the (1993) election, it's up to the leaders to decide how to run the country. If they can't run the country, if they cannot rule the party, let them go to hell."

Said one FUNCINPEC MP after Sirivut's arrest in November: "There is no deal between CPP and FUNCINPEC. We accept the reality — the Paris Peace Agreement is finished."

FUNCINPEC was "forgetting our own objectives" out of concern for national reconciliation, he said, adding: "You cannot expect better things by destroying yourselves."

But what's the alternative? Can FUNCINPEC afford to stay in a coalition with CPP. More importantly, can it afford not to? As the election nears, Ranariddh faces his toughest test, trying to allay the frustrations of his members and work out the best to secure FUNCINPEC's future.

In the end, it may well be more than the identities of FUNCINPEC or CPP, but that of Cambodia itself, at stake.

Cambodia: Khmer Rouge View Fate of FUNCINPEC

BK2703130396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 26 Mar 96

[Station editorial: "The Western Alliance Begins Last Rites for Ranariddh and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]"]

[FBIS Translated Text] Over the last two or three days, the newspapers and radios of the Western alliance have repeatedly presented editorials and analysis about the fascist nature of the party belonging to communist Vietnam and Hun Sen. Western radios, newspapers, and politicians have begun the last rites for Ranariddh and FUNCINPEC. Such prayers are normally chanted before a person breathes his last. It appears too late for chanting, however.

The Cambodian nation and people, Democratic Kampuchea [DK], the Provisional Government of National Union and National Salvation, and the National Union Party have repeatedly and emphatically discussed this issue while struggling against communist Vietnam, UNTAC [UN Transitional Authority in Cambodia], the alliance, and the two heads. Why? Because they clearly see and know unambiguously from experience what communist Vietnam and the imperialist alliance are like. They have killed small nations everywhere. They have barked out threats in Europe and Latin America. They have acted in the same manner in the Caribbean, Africa, and the Asia-Pacific region. They have menaced and killed Cambodian people and threatened and killed other people.

In particular, imperialist communist Vietnam's tendency to invade, annex, and exterminate the Cambodian race is known to the DK and the Cambodian nation and people as well as the whole world. Kissinger, the former U.S. secretary of state, wrote this in his memoirs about years of negotiations with communist Vietnam. Kissinger, who was very concerned at the time, clearly stated that the Vietnamese are very bad and very cunning. They lie

and cheat relentlessly. Vietnam should never be trusted in negotiations.

The Cambodian nation and people have known communist Vietnam longer than Kissinger. Vietnam swallowed up Champa [ancient kingdom in central Vietnam] and Kampuchea Kraom [ancient Cambodian territory now part of Vietnam], but it has never seized any U.S. territory. Vietnam's Ngo Dinh Diem [former South Vietnamese president] seized Cambodia's land and islands. Communist Vietnam has seized Cambodia's land and islands; it has continued the land-annexing and race-extermimating war of aggression against Cambodia.

As for talks at the district, provincial, or ministerial level, they are none. The Vietnamese lie and dodge all the time. While they talk at the table, their forces attack and plunder Cambodian territory. Therefore, it is not just Cambodians that hate the Vietnamese — this is affirmed by Kissinger's memoirs.

As for FUNCINPEC, which won the UNTAC-organized elections, communist Vietnam and its puppets staged a coup d'etat against it. This guy Hun Sen, who is communist Vietnam's out-and-out lackey, threatened the secession of seven provinces and threatened the Royal Palace. He ordered nearly 1,000 of his generals wearing uniforms and decorations down to their heels to bark out threats against the palace. At the time, if his orders had not been followed and things not done or arranged at his behest, not only would he have seceded with the seven provinces but he would have arrested the king.

The Cambodian nation and people as well as the DK knew that communist Vietnam and its puppets would not dare follow through on this threat. They only stage managed this farce with Chakkrapong as the main player. The communist Vietnamese would not dare to attack again as they had for 13-14 years. Then they lost everything; they had to eat rice porridge. They lost to the Cambodian nation and people. They lost to the resistance forces. Hundreds of thousands of them were killed, wounded, or disabled. The Vietnamese people opposed the communist Vietnamese war of aggression against Cambodia and the killing of Vietnamese in Cambodia. Then the Soviet Union and the Warsaw Pact collapsed, and Gorbachev cut off aid and demanded that communist Vietnam repay the money it had borrowed. Communist Vietnam was crying without tears and agonizing.

At the time the DK said that the coup was staged, but UNTAC, [UNTAC chief] Akashi, [UNTAC military commander] Sanderson, and the alliance whose strategy it was to enter Cambodia colluded with the agonizing communist Vietnamese to redress the Vietnamese defeat

and preserve the Vietnamese forces and those of the communist Vietnamese puppets. Money was given to force the two heads into their government, but this only forced them into a tiger cage.

In August 1993, communist Vietnam and the alliance incited the two heads to attack the resistance forces with the hope that these forces would be completely wiped out. Yet they were unable to destroy the resistance forces or the DK. Not only did the DK and the Cambodian nation and people survive, they developed and expanded with political, military, economic, and other support from the people. Support and assistance were also given by Cambodians at home and abroad. There was nobody but the DK to defend the nation, people, and race.

As for the Ranariddh-led clique, it kowtowed and allowed communist Vietnam and the alliance to keep their feet on its neck.

Since their creation three years ago, the two heads have continued to wage military, political, psychological, economic, and other warfare. Yet the Cambodian nation and people and the DK are still intact and have developed and expanded further. As for FUNCINPEC, it has died since the UNTAC-organized elections in 1993; that is, it died before, during, and after the elections.

It is widely known that in 1993 and 1994, Ranariddh and Nhoek Bunchhai pleaded for help from DK cadres in an area near Rumchang. They claimed the communist Vietnamese puppets would chase and kill all FUNCINPEC members, especially Ranariddh. The DK cadres told them that communist Vietnam and its puppets would destroy and kill them, so all national forces should unite in fighting politically and militarily for the survival of the nation, people, and race.

The alliance, however, paid Ranariddh, communist Vietnam, and the communist Vietnamese puppets to reach a compromise. While the alliance combined the top two-headed leaders with a great deal of fanfare, communist Vietnam and its puppets destroyed FUNCINPEC at the grass-roots level and in the countryside and Phnom Penh. They went so far as to discard Sam Rangsi and Prince Sirivut. They tied the limbs and sewed up the mouth of King Norodom Sihanouk. Nobody dared say anything.

Hun Sen, Chea Sim, Sar Kheng, Tie Banh, and the villainous alliance that colluded with communist Vietnam to do away with the Cambodian nation, people, and race continued to denounce the DK and the Cambodian people who were fighting against communist Vietnam and its puppets. They categorically opposed the call by the Cambodian nation and people for an end to the commu-

nist Vietnamese war, peace and national reconciliation, and a meeting to restore peace. The Cambodian nation and people and the DK earnestly made the call, but were met with persistent accusations. The two heads have defended the communist Vietnamese aggressors, the communist Vietnamese puppets, and the presence of ethnic Vietnamese who are everywhere in Phnom Penh. Consequently, FUNCINPEC was completely dissolved. Sirivut was put in the dilapidated Grand Prison built during the French colonialist era in 1925, then exiled to France. Sam Rangsi was opposed for implementing the law on the creation of political parties according to the Constitution. They preserved the political parties led by Ieng Muli and Nguon Soeu, which kowtow to and serve the policies of communist Vietnam and Hun Sen. Communist Vietnam and Hun Sen are in the process of creating more parties modelled on those belonging to Ieng Muli and Nguon Soeu.

We wish to conclude the story at this point because we could never finish even if we took 1,001 days and nights. FUNCINPEC died in a communist Vietnamese cage. Now Ranariddh pretends to scream that Vietnam has seized land in Dong village. He uses a naive story to boast like a tadpole in a jar in the style of Mandolin [popular Cambodian comedian in the 1960's]. He says nothing concerning the issue of millions of Vietnamese entering Cambodia — the Vietnamese are everywhere in Phnom Penh. So the problem of the Vietnamese in Dong village in Svay Rieng Province is untrue. It is only a farce staged for the sake of the congress held by Ranariddh's dead FUNCINPEC party on 21 March 1996. Ranariddh wanted to conceal FUNCINPEC's bad smell by putting on some perfume. FUNCINPEC already smells like excrement; its stench can never be removed. It smells the same as before.

Following the congress of the dead FUNCINPEC party, Western analysts who pretend to be experts and who have defended Vietnam said there were no Vietnamese and that the Khmer Rouge was making unfounded claims. These analysts have begun to write an obituary in the past few days. The situation has become more serious. White-robed priests have been sent to pray for the agonizing Ranariddh. Pretend priests are being sent to chant the last rites for Ranariddh. The last rites are being given as Ranariddh breathes his final breath. All the analysts say Ranariddh's faux pas has brought death to all FUNCINPEC members, and Ranariddh himself is at death's door.

The people and masses shout: The malevolent Prince Ranariddh, who is drunk with power and likes to be flattered, has already died. It can be asked: Who allowed Ranariddh to die? The United States, Australia, France, Japan, and others aided and abetted Ranariddh in aban-

doing FUNCINPEC to join the two-headed government along with the traitor Hun Sen. These countries have defended the two heads, Hun Sen, and communist Vietnam even though they have killed FUNCINPEC and the Cambodian people. Now they see that FUNCINPEC and Son Sann's Buddhist Liberal Democratic Party have already died while Sam Rangsai's party — not yet completely born — has been blocked and pushed back in by black-toothed Vietnamese nurses in old and shabby long dresses. The Cambodian people and FUNCINPEC are all aware of the story, except for Ranariddh. He has betrayed the nation, the people, FUNCINPEC, and ANKI [National Army of Independent Cambodia] because he is thirsty for power and money and likes to be flattered and deceived by the alliance and communist Vietnam. The people and masses call him an evil prince with an immature political mind. Ranariddh has already died; the alliance is seeking pretend priests to chant the last rites for him.

We do not want to continue the story any longer. We only wish to quote Kissinger's memoirs to the effect that it is futile to negotiate with communist Vietnam. The Vietnamese are crooked and cunning and like to lie and cheat. Kissinger was nearly choked after years of negotiations with Vietnam in Paris. How can Ranariddh, an inscrutable doctor, play with the Vietnamese? The entire nation and people and FUNCINPEC say the artificial doctorate that France awarded him has already been trampled upon and crushed by communist Vietnam. He is now listening to the last rites while breathing his final breath.

Who is most at fault? Who has been cheated the most by communist Vietnam? Who is right? The United States and the alliance, deceived by communist Vietnam, have made the most serious mistakes leading to the death of Ranariddh's FUNCINPEC and other political parties. Kissinger, who was nearly choked when he was cheated by communist Vietnam, advised the United States and the alliance not to let themselves be deceived by the Vietnamese, but they allowed themselves to be deceived all the same.

Who is right? It is the Cambodian nation and people at home and abroad, the DK, and the three-party national resistance forces. History should be viewed from day to day, month to month, and year to year to separate white from black, good from bad, and treason from patriotism; to distinguish those who are the real fighters that the Vietnamese cannot deceive from those who can be deceived and who let themselves die without complaint. The pathway to death or life is already clear.

Cambodia: Khmer Rouge Claims Sisophon-Poipet Victory

BK2803042896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 27 Mar 96

[FBIS Translated Text] Here is a report on the fighting on the Sisophon-Poipet battlefield:

Between 23 and 25 March, the enemy painstakingly mustered 100 soldiers from Division 9, and 160 soldiers from Divisions 3, 12, and 11. These soldier, and four tanks, were sent through Thai territory to strike at us along the border streams from L'hong to Ong Mong.

Shortly after the 260 enemy soldiers and their four tanks moved toward Boeng Thom, groups of our National Army combatants, in cooperation with the poor peasants, intercepted and attacked them from the front, the sides, and the rear. We detonated our mines and fired upon them, forcing them to run for their lives. As they ran they stepped on our stakes and mines. As a result, 16 enemy soldiers were killed and 20 wounded. A T-54 tank was destroyed and another, which was equipped with a 100-mm cannon, was damaged. The other two tanks were forced to retreat. We also destroyed three AR-15 assault rifles, three RPK guns, four B-40 rocket launchers, and some war material.

Indonesia

Indonesia: Russia 'Prepared' To Aid in Nuclear Plant Construction

BK2803083296 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 28 Mar 96

[FBIS Translated Text] During his talks with members of the Supreme Advisory Council in Jakarta, Russian Deputy Prime Minister [title as heard] Vladimir Kadanikov said that Russia is prepared to assist Indonesia in building a nuclear power plant. He also offered several trade initiatives that would further expand bilateral ties. The Russian deputy prime minister stressed the importance of signing agreements on technological cooperation, trade, and the avoidance of double taxation. Russia also wants to invite Indonesian businessmen to invest in that country.

Indonesia: Suharto Meets Australia's Northern Territory Minister

BK2703132996 Jakarta ANTARA in Indonesian 1132 GMT 27 Mar 96

[FBIS Translated Text] Jakarta, 27 Mar (ANTARA) — Australian Prime Minister John Howard has expressed

his intention to immediately visit Indonesia to assure Indonesia of the need to maintain close relations between the two countries.

"Prime Minister Howard hopes to visit Indonesia immediately," Shane Stone, chief minister of the Northern Territory, told reporters after meeting President Suharto at Merdeka Palace on Wednesday.

Shane Stone said Australia's new government wanted to maintain the principle of developing friendly relations between the two countries.

He said Howard has consistently supported friendly relations with Indonesia over the past 20 years.

Meanwhile, businessman Frans Seda, who accompanied Stone, said President Suharto made remarks of extraordinary importance during the meeting.

"Just let me know when the Australian prime minister wants to come! I will send an invitation," Frans Seda quoted Suharto as saying.

According to the former communications minister, the president's remarks reflected Indonesia's hope that Howard would strengthen bilateral relations.

Howard defeated Paul Keating in the recent general election.

Indonesia: Foreign NGO Involvement Suspected in Irian Jaya Riots

BK2803074896 Jakarta ANTARA in Indonesian
1530 GMT 27 Mar 96

[FBIS Translated Excerpt] Jakarta, 27 Mar (ANTARA) — ABRI [Armed Forces of the Republic of Indonesia] suspects that a foreign nongovernmental organization (NGO) and an Irian Jaya local group were involved in the recent riots at the Freeport Co.Ltd., in Tembagapura, Timika subdistrict.

On Wednesday an ANTARA source in Jakarta said the suspicion began when electronic mail messages were found on the Internet, voicing the foreign NGO's dissatisfaction toward events in Irian Jaya.

"The latest situation shows that the events in Irian Jaya did not turn out as they expected and that this has a negative effect on the political situation in the United States," the source said.

ABRI has thus far refrained from commenting on the issue, but security authorities have long known of cooperation between a foreign NGO and a group in Jakarta, which claims to be an NGO in directing the riots in Timika.

The electronic mail also revealed regular contacts between the foreign NGO and several people in Jakarta.

Members of the foreign NGO also plan to visit Indonesia shortly.

Speaking on a separate occasion, Lieutenant General Suyono, chief of ABRI General Affairs, dismissed views that ABRI's presence in Irian Jaya is merely to serve as Freeport's security guards. [passage omitted]

Indonesia: Official Stresses Importance of 1997 General Elections

BK2803100596 Jakarta KOMPAS in English
28 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Coordinating Minister of Politics and Security Susilo Sudarman stated the 1997 election must be a success to ensure the national leadership stays with the New Order, and maintain the continuation of national development.

"The 1997 election must be a success. We must all be cautious. We must make it a success," Susilo told journalists on Wednesday (27 March) in Jakarta after chairing a hearing of governors throughout Indonesia.

The hearing was also attended by the Minister of Defense and Security Edi Sudrajat, Attorney General Singgih and ABRI [Armed Forces of the Republic of Indonesia] Socio-political Chief of Staff Lieutenant General Syarwan Hamid who represented The Chief of Staff of the Armed Forces General Feisal Tanjung. The election became a main topic of discussion in the hearing and in particular the issue of the new Independent Election Monitoring Committee (KIPP).

In Palembang, South Sumatera, Chairman of the United Development Party (PPP) Ismail Hasan Metareum disagreed with the statement that perpetuation of the New Order and national development and stability depended on the victory of one particular socio-political organization in the upcoming election. Nor did these conditions depend on a single majority in parliament.

"We see this stance is not in accordance with Pancasila Democracy," he said.

According to Susilo, the 1997 election is highly important given that we are in a transitory period, as agrarian nations are moving toward industrialization. I hope journalists will avoid making the situation more critical. Conditions must be conducive and calm. Transition is not something to fear. It's quite normal. In all nations there are elections, he said.

The election must be a success. Not only to ensure that national leadership stays with the New Order and development continues. The 1997 is important because

it's the first election in the second period of national awakening, he added.

Susilo admitted that society was becoming increasingly critical but some of the emerging creativity can not be accommodated for. He argued coordination and cooperation were the key to the election's success and warned against the dangers of veiled campaigns.

Susilo was reluctant to comment on KIPP, saying only that committee existed and its existence would be discussed with the Minister of Home Affairs.

Ismail Hasan Metareum (Buya) maintained the perpetuation of the New Order government should be determined by a politicized public, ABRI as the protectors of the nation and a good, clean government.

According to Buya, the single majority was little more than a reality emerging from election results and there was no need to oppose the concept if indeed it came about through just and honest means.

Furthermore, under Pancasila democracy the single majority did not represent a status nor did it have a functional place in the democratic life in Indonesia. The single majority had also never been legitimated through legislation because parliamentary decisions needed to be supported by more than one faction, he argued.

We fear that if the majority becomes a function of our practical national codes and gains the support of all monoloyal bureaucratic apparatus then different opinions will be ignored, Buya said.

Opinions which conflict with majority views will be lost. Public aspirations which are not channeled will be viewed as diametrically opposing the single majority which has become one with the bureaucracy, or in other words will be considered an opposition group, he added.

Indonesia: Governors Oppose Election Monitoring Committee

BK2803100896 Jakarta MEDIA INDONESIA in Indonesian 27 Mar 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — A majority of governors have objected to the presence of the Independent Election Monitoring Committee, KIPP, in their province and believe that the committee is not needed. It is also feared that the committee would create new problems.

This came out yesterday during separate press interviews with 16 governors who are currently attending a working meeting in Jakarta. The meeting was opened by Home Affairs Minister Yogie S. Memed.

The 16 governors are Suryadi Sudirja (Jakarta Metropolis); Nuriana (West Java); Sri Paku Alam VIII (Yogyakarta Special Region); Basofi Sudirman (East Java); Syamsuddin Mahmud (Aceh); Raja Inal Siregar (North Sumatera); Hasan Basri Durin (West Sumatera); Pujono Pranyoto (Lampung); H.B. Palaguna (South Sulawesi); Kaimuddin (Southeast Sulawesi); E. Mangindaan (North Sulawesi); Hasan Aman (South Kalimantan); Warsito Rasman (Central Kalimantan); Warsito (West Nusa Tenggara); Abilio Soares (East Timor); and Ida Bagus Oka (Bali). These governors strongly oppose the presence of KIPP and stress that the general elections do not need such a committee. They also believe that KIPP is an unconstitutional body and its existence is not supported by existing laws. In addition, the presence of the election monitoring committee headed by Gunawan Mohamed is not needed.

"All activities related to elections will be handled by existing agencies stipulated by law," said Hasan Basri Durin.

East Timor Governor Abilio said his province still faces many problems and there is no need to have KIPP's presence, which, in fact, may even create new problems.

Bambang Ekalaya, an official of KIPP's Lampung chapter, was picked up yesterday by security personnel from the Gatam 43th Area Military Command shortly before the KIPP's Lampung chapter was officially inaugurated at Marcopolo Hotel, Teluk Betung. The reason for the arrest remains unknown. [passage omitted]

Philippines

Philippines: Ramos Urges PRC, Taiwan To Continue Dialogue

BK2803054796 Quezon City Radio Filipinas in English 0230 GMT 28 Mar 96

[Weekly news conference by President Fidel V. Ramos before domestic and foreign correspondents at Malacanang Palace, Manila on 27 March — recorded]

[FBIS Transcribed Excerpt] [passage omitted] [President Ramos] I am encouraged by recent developments in the cross-straits relations between the People's Republic of China and Taiwan.

The elections in Taiwan were held last Saturday without an incident to mar the peace in the region. I hope the two sides can put the events of the past two weeks behind them and I urge both sides to resume the talks between China's Association for Relations Across the Taiwan Straits or ARATS and the Taiwan Strait Exchange Foundation or (TSEF). I am hopeful

that the talks can lead to agreements for direct cross-strait links on trade, sea and air transportation and postal services. I am confident that such agreements can restore confidence and trust on both sides and can lead to greater cooperation in other areas. I am certain that this hopeful developments in the Taiwan Straits will also benefit the entire region with peace and stability prevailing in this part of the world. [passage omitted]

Philippines: Official Concerned Over India's Inclusion in ARF

BK2803090196 Manila BUSINESS WORLD
in English 28 Mar 96

[FBIS Transcribed Text] Participants in this year's ASEAN Regional Forum (ARF) are at odds over India's inclusion in the nascent regional security gathering this July in Jakarta, Indonesia.

Acting Foreign Affairs Secretary Rodolfo Severino said India's participation in this year's ARF meet has yet to be decided because the United States and other ARF participants do not want the Association of Southeast Asian Nations (ASEAN) alone to decide on who may join the security forum. "We still have to consult the others... Some non-ASEAN countries insist that ASEAN should not decide on the composition of ARF participants alone," Mr. Severino said. He declined to name the countries which oppose India's participation. India became ASEAN's dialogue partner last year during the grouping's summit gathering in Bangkok last December. As a dialogue partner, India will now participate in ASEAN's annual Post Ministerial Conferences.

Manila, Tokyo Sign 'Soft' Loan of P11.7 Billion

BK2803101296 Manila BUSINESS WORLD
in English 28 Mar 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] The Philippines and Japan yesterday forged an agreement covering Tokyo's 47.58 billion yen (approximately P11.7 billion) soft loan "special package" for four government projects and a 708 million yen (approximately P175 million) grant-aid project for disadvantaged women in the country.

Representing their respective governments, Acting Foreign Affairs Secretary Rodolfo Severino and Japanese ambassador Yoshifumi Matsuda signed and exchanged diplomatic notes for the "Tokyo Package" at the Department of Foreign Affairs yesterday.

"The significance of the Tokyo Package is demonstrated by the fact that the government of Japan had already formalized the agreement on the 20th Yen Loan Package to the Philippines in the amount of 100.964 billion yen,

or approximately P25 billion, in July last year, before pledging the special Tokyo Package," said Ambassador Matsuda.

Total Pledge

With Japan's 17.2-billion yen (P4.2 billion) grant to the Philippine Government last year, Tokyo's total pledge to Manila for this year now amounts to 166 billion yen (P41 billion).

"The entire pledge committed by the Japanese Government constitutes more than half of the total pledges made by all bilateral and multilateral donors to this country," the Japanese envoy said.

For his part, Mr. Severino expressed gratitude to the Japanese Government for their continued support for the government's social and infrastructure projects, saying yesterday's signing marked another milestone in Philippine-Japan relations.

"We would like to express our appreciation to the Japanese Government, particularly the Japanese embassy here, for this very generous package... This special package is very significant because it touches on the priority areas of the (Ramos administration's) social reform agenda," Mr. Severino said.

The four projects which comprises the Tokyo package are:

— The Pinatubo Hazard Urgent Mitigation Project (6.911 billion yen or P1.7 billion), which will rehabilitate two major roads between Pampanga and Tarlac and the Sacobia-Bamban basin to prevent further lahar devastation;

— The Metro Manila Strategic Mass Rail Transit Development (Line 2) Project (24.712 billion yen or P6.1 billion), which will construct a mass rail transit line from C.M. Recto in Manila to Santolan in Quezon City to ease worsening traffic conditions in the metropolis;

— The Rural Farmers and Agrarian Reform Support Credit Project (10.799 billion yen or P2.7 billion), which will provide financial assistance to agricultural cooperatives, inclusive of agrarian reform cooperatives, through the Land Bank of the Philippines.

It will also provide technical assistance for the improvement of organization and accounting in the aforementioned cooperatives; and

— The Environmental Infrastructure Support Project (5.158 billion or P1.3 billion), which will provide financial assistance, through the Development Bank of the Philippines, to private companies as an incentive

for investing in environmental equipment in order to minimize industrial waste.

Apart from the four projects covered by the Tokyo Package, the Japanese Government's 708 million yen grant for disadvantaged women will finance the second phase of the "Improvement of the Training Equipment for Productivity Skills Capability Building for Disadvantaged Women" project.

In 1989, Japan's 240 million yen (P59 million) grant for the first phase of the said project was used to purchase equipment for 40 women's livelihood training centers.

Since then some 70,000 "disadvantaged" Filipino women have undergone training at these centers, 80% of whom have already joined the work force.

The Japanese embassy said the second phase of the project will furnish some 51 new centers and 15 existing centers with equipment for livelihood skills training.

These include the purchase of high speed sewing machines for 30 centers, toy-craft manufacturing machines for two centers, weaving looms for six centers, food processing units for 18 centers and home-aid service units for two centers.

Mr. Matsuda said the special Tokyo Package will play an important role in addressing that social issues which have been given high priority in the president's economic reform agenda.

"It is also the best way Japan can contribute to uplifting the lives of indigenous women in this country," he said.

Economic cooperation between the two countries covers a broad-based and far-reaching area, ranging from large-scale economic infrastructure projects to grass-roots projects which directly benefit the poor.

Japan is the country's largest source of official development assistance.

Philippines Senators: Manila 'Major' Amphetamine Producer

*BK2803092096 Manila MANILA STANDARD
in English 16 Mar 96 p 2*

[Report by Fel V. Maragay and Bert Ignacio]

[FBIS Transcribed Text] Senators Ernesto Herrera and Vicente Sotto III said yesterday the confiscation of 19 barrels of raw shabu [methamphetamine hydrochloride] and 80 kilos of ephedrine in Pampanga confirmed that the country was now a major manufacturer of this narcotic substance.

Herrera, chairman of the Citizens Drugwatch, and Sotto, lauded the National Bureau of Investigation [NBI] for the biggest drug seizure so far in the country and

for busting an international drug syndicate engaged in making shabu.

NBI agents, meanwhile, fanned out to Central Luzon and Metro Manila in search of more shabu laboratories.

They also continued the interrogation of suspects Seng Wasoy, alias Alex Chang, Tony Dy, and Maribel Lagman, common-law wife of Tito Yan, another Chinese member of the drug syndicate who is still at large.

Sotto earlier revealed that an international drug syndicate belonging to the Hong Kong Triad was behind a clandestine "mobile" shabu laboratory that goes around Central Luzon to avoid detection by law enforcers.

His informant, the shabu "cook" of the syndicate, who sought his help when the syndicate was out to liquidate him, gave the lead to the underground operations of the drug ring.

It was also due to the leads furnished by Sotto's informant that lawmen seized P [pesos] 280 million worth of shabu in Paranaque last Jan. 21.

"I believe the operators of the two laboratories in Pampanga and the Paranaque drug bust were connected," the senator said.

In fact, Sotto said, the arrested suspects Seng Wasoy, alias Alex Chang and Tony Dy, and Tito Yan who is still at large, were probably the same members of the Hong Kong Triad using different names on the list of drug traffickers he had exposed last January.

Herrera said the latest drug seizure bolsters the information that the Philippines was no longer just an importer and consumer of shabu but was now directly engaged in the manufacture of this drug.

"This has a major implication insofar as the supply side of our drug problem is concerned. This means that cheaper, high-grade shabu in large quantities will probably flood the country in the years ahead. This big supply, in turn, will eventually create its own demand. So we can expect shabu to supplant marijuana as the most abused drug among Filipinos," he said.

Herrera warned that if authorities failed to detect and dismantle the other shabu laboratories in the country, we could end up joining the big league shabu manufacturers and exporters such as China, Taiwan, Hong Kong, and Thailand.

According to the senator, the 19 barrels of shabu solution seized by the NBI are enough to produce 114 kilos of shabu worth P285 million at P2.5 million per kilo.

On the confiscation of the 80 kilos of ephedrine, Herrera said this is the second time in recent years that this raw material for shabu was seized by the authorities. Ephedrine, which is also used in manufacturing certain cough syrup, costs \$80 a kilo abroad.

Herrera recalled that customs agents seized 110 kilos of ephedrine at the Manila International Container Port in November 1991.

Sotto, who co-chairs the Citizens Drugwatch, expressed concern the government does not have the strong hands to prosecute, with the full force of the law, the suspected drug traffickers arrested in Pampanga.

"I am worried as to what would be the charges that the Department of Justice can file against the suspects since shabu is classified only as a regulated drug under the Dangerous Drugs Act," he pointed out.

He prodded Congress to speed up approval of a pending bill, which he and Herrera authored, which reclassifies shabu and paraphernalia and substances used for making it as among the prohibited drugs. The bill has been certified as urgent by President Ramos.

A member of the NBI team that raided the laboratories in Pampanga said there were at least 15 members of the ring operating in and outside Pampanga which are being financed by the international syndicate based in Taiwan.

On interrogation, Lagman admitted she was the one depositing the proceeds of the drug sale to different banks in Metro Manila.

She also reportedly admitted being a courier of her common-law husband who regularly shuttles from Manila to Taiwan and back after meeting with drug associates.

Lagman said she did not know the present whereabouts of her husband but pointed to Seng Wasoy and Tony Dy as among the members of the syndicate.

The NBI chief said they are looking into reports some local lawmen were protecting the syndicate which managed to operate these past years without being exposed.

If found guilty of drug trafficking, Toledo said, the suspects face death penalty.

Philippines: MILF Denies Involvement in Maguindanao Attack

BK2703042596 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 26 Mar 96

[FBIS Translated Text] The Moro Islamic Liberation Front [MILF] has strongly denied that it was involved

in the attack of Sultan sa Barongis, Maguindanao on Sunday 24 March. Gadzali Gaafar, MILF vice chairman for political affairs, made this declaration after having been accused by Mayor Abdul-Karem Uto. Three people died in the attack. The MILF insisted it was following cease-fire orders when the encounter took place.

Philippines: Military Blamed for Zamboanga Bombings

BK2803101496 Manila PHILIPPINE DAILY INQUIRER in English 22 Mar 96 pp 1, 11

[Report by Donna Cueto]

[FBIS Transcribed Text] Government agents, not Moro rebels, were behind last week's bombings in Southwestern Mindanao which top local officials said were part of a plot to create chaos and justify military rule in Zamboanga City.

Some military officers were reported to be wooing local officials to support military rule in the city a few days after the bombing of two Catholic churches and a public market last week, according to city officials who talked on condition of anonymity.

"The bombings came from friendly troops," the officials said. "It was an inside job."

They said an Army colonel whom they did not identify had informed city officials that the military wants to take over the city.

The targets were chosen in a way that the bombings would be blamed on Moro rebels, the sources said.

The Moro Islamic Liberation Front (MILF), the Moro National Liberation Front (MNLF), and the extremist Abu Sayyaf were some of the groups suspected of carrying out the terrorist acts.

The MNLF, which is holding peace talks with the government, and the MILF denied involvement in the attacks.

Abdurahkman Nino, MILF representative, and two MNLF leaders met with city officials and denied their groups were behind the bombings.

The rebel leaders said they had no "future plans to attack Zamboanga City."

Several days after the bombings, congressmen raised fear that martial law would be declared in Mindanao.

Rep. Jose Zubiri (Lakas [Party], Bukidnon) said hawks in the Ramos administration may use the bombings to push for the declaration of martial law in the region.

Interior Secretary Rafael Alunan III has described the attacks as "scare tactics." "Let's just hope that it is kept at that level," he said a day after the bombings.

Police are investigating the bombings which sources described as "military exercises."

Rejection [subhead]

Zamboanga City's peace and order council has rejected suggestions to allow the military to take over law enforcement in Zamboanga.

Alunan said the police would keep its role as the lead law enforcement agency in Zamboanga unless the situation there gets out of hand.

Lt. Gen. Ruperto Ambil, Southern Command chief, admitted the military had asked Vitaliano Agan, mayor of Zamboanga City, to allow military to assist in law enforcement.

But Ambil denied the military planned a complete takeover.

Other sources said some military officials want to take over Zamboanga because of the lucrative barter trade there.

Stronger role [subhead]

The bombings, they said, were staged to justify a stronger military role in Zamboanga City.

The selection of the targets, which included the Catholic churches St. Joseph and Claret in downtown Zamboanga, was meant to create rift between Muslims and Christians, he said.

Officials of the Commission on Human Rights said there was basis to pin the blame for bombings on the military.

An official, who asked not to be named, it was "common knowledge in the Muslim community that the military was responsible for the bombings."

The church bombings occurred between 5 a.m. and 6 a.m. on 10 March, injuring two people. The next day a grenade was lobbed at the city's public market. No one was injured in the grenade attack.

Philippines: Voluntary Repatriation of SRV Refugees Continues

BK2703042496 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 26 Mar 96

[FBIS Translated Text] Thirty-seven Vietnamese voluntarily returned to Vietnam aboard Philippine Airlines yesterday. An official of International Organization for Migration witnessed the voluntary boarding on the plane by the Vietnamese. The group is part of the 2,400 refugees who were urged earlier to return to Vietnam as

the United Nations' funds for this program are scheduled to end this June. Most of the Vietnamese are not eligible for political asylum.

Thailand

Thailand: Japan Sends Official To Fingerprint Red Army Suspect

*OW2803020496 Tokyo KYODO in English
0143 GMT 28 Mar 96*

[FBIS Transcribed Text] Bangkok, March 28 KYODO — A suspected Japanese Red Army hijacker detained in Cambodia for possession of counterfeit dollar bills has been transferred to police in the Thai resort city of Phattaya, Japanese Embassy officials in Bangkok said Thursday [28 March].

The officials said the embassy dispatched one of its staffers to the city Wednesday evening to meet the man and obtain his fingerprints for identification.

Sources said the man is most likely Yoshimi Tanaka, 47, who is on an international wanted list for his part in the 1970 hijacking of a Japan Airlines plane from Japan to Pyongyang, based on information from U.S. officials in Thailand investigating the counterfeiting of U.S. money.

The man was sent to Pattaya because the counterfeiting case centers on the city.

In a related development in Cambodia, a policeman at a border checkpoint testified that shortly before the man's arrest, three people who appeared to be North Korean diplomats had attempted to bribe another policeman with \$50,000 in order to pass through the checkpoint, said Phnom Penh authorities.

The North Korean Embassy in the Cambodian capital has denied the claims.

According to the police testimony, the arrested man attempted to cross the border from Vietnam in a North Korean Embassy Mercedes Benz.

In Tokyo, Japanese National Police Agency officials said Thursday they have information that a former Japanese Red Army hijacker was detained in Cambodia on Sunday.

They confirmed the man suspected of being Tanaka was taken into custody at a checkpoint on the southeast Cambodian border with Vietnam.

Reports received in Japan said the man, who was in a North Korean Embassy car, carried counterfeit dollar bills with a face value of several million dollars and a North Korean diplomatic passport.

He has subsequently been sent to Thailand, the reports said.

Tanaka is one of nine members of the radical underground organization that hijacked a Japan Airlines flight carrying 129 people to Pynogyang in 1970.

Thailand: More on Suspected Red Army Hijacker With DPRK Passport

OW2803054396 Tokyo KYODO in English
1238 GMT 28 Mar 96

[FBIS Transcribed Text] PATTAYA, Thailand, March 28 KYODO — Japanese diplomats obtained fingerprints from a suspected Japanese Red Army hijacker Thursday [28 March] at a Thai resort but the man denied the accusation, Japanese Embassy and local police sources said.

The man, suspected of being Japanese Red Army fugitive Yoshimi Tanaka, 47, insisted he is a North Korean and refused to comment, a senior police officer in Pattaya said. He had a genuine North Korean diplomatic passport, informed sources said.

Tanaka is on an international wanted list for his part in the 1970 hijacking to Pyongyang, along with eight other Red Army members, of a Japan Airlines plane with 129 people on board.

Thai police and Japanese Embassy officials in Bangkok confirmed that the man was arrested in Cambodia on Sunday for possession of counterfeit U.S. currency with a face value of several million dollars and was subsequently transferred to police in Pattaya.

Thai police sources said the information about the man resembling Tanaka came from U.S. officials in Thailand investigating the U.S. currency counterfeiting case.

According to a separate report from Phnom Penh, the suspect was with three people who appeared to be North Korean diplomats attempting to cross into Vietnam, but they fled back to their car after being questioned by two U.S. investigators with the International Criminal Police Organization (Interpol) who held a search warrant.

The four were reportedly traveling in a North Korean Embassy Mercedes Benz.

The report said the three people accompanying the suspect later attempted to bribe a Cambodian immigration officer with \$50,000 to pass through the checkpoint, but were refused.

The suspect stayed in the car until the following evening, but was then arrested, the report said.

The North Korean Embassy in Phnom Penh has denied the claims.

The report also said the man had stayed in Cambodia for about two months.

Interpol has reportedly been following the man for about seven years, the report said.

Sources in Bangkok said he was transferred to Pattaya because the counterfeiting case centers on the coastal resort city.

Diplomatic sources said photos of the man show a resemblance to Tanaka in the man's eyebrows, nose and mouth, compared with identity photos issued by police in 1971, but that other parts of the face are more difficult to match because of the man's age.

If the man's fingerprints match those of Tanaka, Japanese police will dispatch investigators to Thailand, police sources in Tokyo said.

Tanaka is one of nine members of the radical underground organization that hijacked the Japan Airlines flight.

He reportedly has a child by a Japanese woman in North Korea.

One of the hijackers was arrested in 1988 after secretly returning to Japan.

Two of the nine have since died. The remaining six are all still on an international wanted list.

Police have been trying to learn the whereabouts of Tanaka since he went missing, while the others have sometimes met Japanese who visited North Korea.

In June last year, sources close to the group said Tanaka was living mainly in Europe and engaging in activities based in Paris while also visiting other European cities including Copenhagen.

They also said Tanaka sometimes returns to North Korea but did not elaborate on the activities.

Police said at the time that they suspected Tanaka is secretly involved in political maneuvers by North Korea in Europe.

Thailand: Japanese Embassy Identifies Suspect as 1970 Hijacker

OW2803122696 Tokyo KYODO in English
1151 GMT 28 Mar 96

[FBIS Transcribed Text] Pattaya, Thailand, March 28 KYODO — Japanese authorities on Thursday [28 March] identified a man nabbed with millions of dollars of counterfeit U.S. currency in his possession as a member of the radical Japanese student group that hijacked a jetliner to North Korea in 1970.

The Japanese Embassy in Thailand identified the man as Yoshimi Tanaka, 47, a member of Japan's Red Army faction, through fingerprints obtained from the suspect.

The suspect was arrested at the Thai resort of Pattaya on Thursday, but he continued to insist he is a North Korean. He had a genuine North Korean diplomatic passport, informed sources said.

Tanaka is on an international wanted list for his part in the 1970 hijacking — along with eight other Red Army faction members — of a Japan Airlines jet with 129 people aboard to North Korea.

Thai police later placed Tanaka on a helicopter to be taken to Bangkok.

Thai police and Japanese Embassy officials in Bangkok confirmed that the man was apprehended in Cambodia on Sunday for possession of counterfeit U.S. currency with a face value of several million dollars and was subsequently transferred to police in Pattaya.

Thai police sources said the information about the man resembling Tanaka came from U.S. officials in Thailand investigating the U.S. currency counterfeiting case.

Thai police said Thursday that if convicted on the counterfeiting charge, he would face up to 10 years in prison, but added that it would be difficult to extradite the suspect to Japan or the United States.

According to a separate report from Phnom Penh, the suspect was with three people who appeared to be North Korean diplomats attempting to cross into Vietnam, but they fled back to their car after being questioned by two U.S. investigators with the international criminal police organization (Interpol) who held a search warrant.

The report said the three people accompanying the suspect later attempted to bribe a Cambodian immigration officer with \$50,000 to pass through the checkpoint, but were refused.

The suspect stayed in the car until the following evening, but was then arrested, the report said.

The North Korean Embassy in Phnom Penh has denied the claims.

The report also said the man had been in Cambodia for about two months.

Interpol has reportedly been following the man for about seven years, the report said.

Diplomatic sources said photos of the man show a resemblance to Tanaka in the man's eyebrows, nose and mouth, compared with photos issued by police in 1971, but that other parts of the face are more difficult to match because of the man's age.

Thai police said that Tanaka had told them that the printing plant for counterfeiting the U.S. money was located in southeastern Thailand near the Cambodian border.

Meanwhile in Phnom Penh, the North Korean Embassy confirmed for the Cambodian Foreign Ministry that the man arrested was Tanaka.

Thai Editorial Views Prime Minister's Visit to China

*BK2803130696 Bangkok DAILY NEWS in Thai
27 Mar 96 p 7*

[Editorial: "Thai-Chinese Friendship"]

[FBIS Translated Text] The current visit to China by the Thai prime minister and his full delegation is aimed at strengthening bilateral relations and holding talks with Chinese counterparts in both the political and economic fields. The visit places emphasis on easing problems concerning bilateral trade, but no official delegates have witnessed the signing of agreements between the private sectors of the two countries. This China trip, however, is expected to yield positive results, although it is being made during a period of tension between China and Taiwan.

This is because, as we all know well, China currently has a growing role in dealing with ASEAN countries, especially in the Mekong River Basin development project, due to the fact that the country is situated at the upper part of the river. Moreover, the very good relations with China will also help prevent the trading group with the United States acting as its core or the group of European countries from having too much economic influence over Thailand.

Therefore, just the meeting and the strengthening of relations between the Thai and Chinese delegations can obviously be beneficial in many respects. Additional benefits that may or may not be acquired will depend on the talks between the Thai prime minister and Chinese leaders.

On the question of whether the visit will adversely affect our existing trade relations with Taiwan, academics and international relations observers are confident that there will be no problem because Thailand upholds the one-China policy like many other countries in the world. At the same time, Taiwan also accepts this fact. It has made contacts with Thailand mainly for trading purpose rather than any other.

Furthermore, some observers believe this visit to China may yield more positive results in bilateral cooperation than expected, as we are making a trip to strengthen

relations during a period when China is faced with the aforementioned problem. In addition, at the multilateral level, Thailand can also be viewed as contributing to the strengthening of relations between China and the world community, particularly if it can persuade China to understand and respect the principle of human rights, which is accepted internationally.

Thailand: Aviation Agreements Signed With Nepal, Finland

BK2803103296 Bangkok Radio Thailand Network in English 0000 GMT 28 Mar 96

[FBIS Transcribed Text] The cabinet this week endorsed memorandums of understanding on aviation cooperation, one between Thailand and Nepal, and another between Thailand and Finland.

Thailand has proposed that its national airline and that of Nepal operate seven flights a week with any type of aircraft seeking no more than 1,729 passengers against 1,350 as agreed upon earlier. Nepal would consider the Thai proposal, and called on both sides to join forces in improving aviation service on the air route between the two countries.

Meanwhile, Thailand and Finland have agreed that both sides increase flights from three to four a week. The additional one will be a turn-around flight. Both Thailand and Finland are allowed to designate two airlines for aviation operation between the two countries against only one as agreed upon earlier. This is in line with the Thai government's policy of establishing the country's second national airline.

Thai Defense Minister Outlines Regional Vision, Arms Policy

BK2803013096 Bangkok THE NATION in English 27 Mar 96 p A5

[Interview with General Chawalit Yongchaiyut, defense minister and leader of New Aspiration Party, by unidentified THE NATION correspondent]

[FBIS Transcribed Text] [THE NATION] You seem to have become active in regional diplomacy lately. Can you tell us the reason why?

[Chawalit] You have to really. The countries in the region will experience high growth in the next century and it would be a pity if there are problems. We are a principal country in the region and are being viewed as an important epicentre on many points.

Our relationship with neighbouring countries has also improved. For example with Cambodia, where we used to have disputes previously, things are now very quiet. It took us sometime to build up confidence with Burma.

There are no longer problems with Malaysia. Similarly with our more distant neighbours like Vietnam, Singapore, Indonesia and China, things seem pretty peaceful.

Next we have to move to the South Asian sub-continent — India, Pakistan and Sri Lanka. We should be the centre of peace.

[THE NATION] So you want Thailand to take the lead?

[Chawalit] We have to act as the No 1 country in the region. We cannot stay complacent and not take the responsibility to improve the situation. By the year 2013, Thailand wants to achieve a per capital income of more than Bt[baht]200,000, which means that we have to grow at 8 to 9 per cent annually.

We have to engage in international relations. I have access to old friends in the region. I told Dr. Tony Tan (Singapore's deputy prime minister and minister of defence) that we have known each other for 10 years so let's expand the scope of cooperation. I asked Singapore Prime Minister Goh Chok Tong to undertake joint development projects. He (Goh) also pushed for the faster implementation of a high speed train project from Singapore-Kuala Lumpur-Bangkok.

[THE NATION] You recently hosted a regional security seminar in Thailand. Can you tell us more about this?

[Chawalit] There are three points we highlighted.

Firstly, on the global front, we discussed Thailand's participation in peace-keeping and related areas. Secondly, on the regional level, we talked about how confidence-building measures could be further strengthened. Finally, on the national level, we touched upon cooperation and understanding between civilians and the military for security purposes.

[THE NATION] What about calls for transparency in regional arms spending?

[Chawalit] That we support wholeheartedly. We need to have an understanding of not building up arms and engaging in excess military spending. Instead, we want to see investment in infrastructure. We also want to exchange information. For example, when other countries came to know of our plans to purchase an aircraft carrier (the proposal was made during the tenure of the Chatchai government in 1988), they laughed their heads off.

We told our friends that everyone should come together to assess the regional situation so that we could make suitable adjustments to our armed forces in order to meet the right kind of security demands.

Our armed forces are still based on the World War II model. This is outdated because the burden of responsibilities have changed.

[THE NATION] How do you see the budget allocation for military spending?

[Chawalit] It has been down in the past four to five years in terms of the ratio of gross domestic product (GDP).

Also in real terms, the yearly budget has been falling. We are one of the smallest spenders (in the region) at 2.1 per cent of the GDP. I have working principles (on military spending) but the Thai people tend not to listen to me. Anyway, they are:

- All purchases must be in the plan. I assumed the job (as defence minister) in 1995 while the plan runs from 1992-1996. I did not interfere in what is already in the military plan but some people have accused me of doing so;

- The purchases must be within the budget and funds must not be procured from other budgets to result in additional expenditure;

- New purchases must be made on a 100 per cent counter-trade.

This helps to solve the trade deficit and current account deficit problems. This can be done for F-18 jets or aircraft acquisition from Boeing or Airbus. If they do not want to sell via counter-trade then it is fine. We don't care.

I would like to reduce the proportion of military contribution to the current account deficit (now about 8 per cent of the GDP) by half a percentage point and another half a percentage point on the purchase of civilian aircraft. We can even buy five submarines without paying for the training of military personnel, repairs and spare parts.

But some military officers still do not understand. It is not that they have to sell anything. We have people to do that. The counter-trade can be done via the foreign military sale. We just have to pay someone to do it.

- Off-set policy. This is what the Indonesians are doing. When they, for instance, buy Casa aircraft from Spain, Casa has to build a wing plant in Indonesia. When they sell aircraft elsewhere they have to buy the wings from an Indonesian plant. This will allow for technology transfer and not technology transplant.

Thailand: Military Cuts Projects To Fund 'Urgent' Needs

BK2803055596 Bangkok BANGKOK POST
in English 28 Mar 96 p 3

[Unattributed report]

[FBIS Transcribed Text] The Supreme Command will shave off three billion baht from its 1997-2000 budget to pay for weapons "urgently needed" by the three armed forces, a military source said yesterday.

Projects that were not "top priority" would be scrapped to allow the Supreme Command to save enough money to fund urgent procurements of weapons for the Army, Navy and Air Force, the source said.

He said this was in line with Supreme Commander Wirot Saengsanit's policy that the three armed forces assist one another.

Gen. Wirot offered to help because he realised that limited budgets would make it very difficult for the armed forces to implement their development programmes, the source said.

A joint Supreme Command-Army committee, chaired by Supreme Command Chief-of-Staff Mongkhon Amphonphisit, was considering an army proposal to buy 300 armoured tanks, the source said.

Dealers had been screened down to five countries — the United States, Germany, France, Canada and Switzerland.

Another joint committee was studying the Navy's plan to set up a company of 20 light tanks for its Marine Corps, the source added.

He said the Navy wanted to buy US-made Stingray II light tanks which it said would be suitable for low-lying areas and soft terrain.

The Stingray was already improved by the United States after cracks had been found in the Thai Army's Stingray I tanks some three years ago, the source said, adding that the Stingray II proved very efficient after it had been tested in the US for six months.

He said Gen. Wirot would check out the Stingray II's capabilities during his visit to the US early next month.

The source said the Marine Corps needed to have a light tank company to protect the eastern border provinces of Chanthaburi and Trat in the wake of intense fighting between Khmer Rouge guerrillas and Cambodian government troops to capture Pailin Province.

He said the Defence Council had already approved the light tank purchase proposal.

**Thai Foreign Policy Lauded as 'Successful,'
'Dignified'**

*BK2803062496 Bangkok BUSINESS DAY in English
28 Mar 96 p 4*

[Editorial: "Thai Values Shine Through In Consistent Foreign Policy"]

[FBIS Transcribed Text] Thailand's foreign policy has been on a successful and dignified course for the past several years. The Ministry of Foreign Affairs, the former Government under Prime Minister Chuan Likphai and the present Government can rightly share the credit for putting the country's foreign policy on the right path and keeping it there.

A key to our success lies in the fact that the underlying premise and assumption of the country's stance on international relations are harmonious with the highest attributes of Thai culture and values.

Thus there is a ring of truth and a core of authenticity when Thailand presents itself to the neighboring countries, and indeed to the world, as a friendly and considerate nation peacefully reaching out to establish mutually beneficial ties. There is honesty in this approach, and it is far more effective and powerful in the long-run than to be contentious, stridently self-righteous and belligerent traits which Thais find deeply repulsive.

Prime Minister Banhan Sinlapa-acha's recent visit to Myanmar [Burma] and his current one to China are completely consistent with the policy of striving for harmonious relationships and elevating the nation's standing in world affairs by extending a hand of friendship.

A few countries will invariably misinterpret Thailand's peaceful and accommodating stance as a sign of weakness, and in an era of ever increasing competitiveness in world trade, attempts may be made to take advantage of the perceived weaknesses. Should this happen, there is another basic attribute in the Thai nature which will come to our rescue: a deeply ingrained sense of independence which knows intuitively where the lines of propriety are drawn and where they may not be crossed.

The problems with implementing Thailand's foreign policy on a consistent basis have stemmed primarily from the illegal and harmful activities of a relatively small number of people along the borders. This is particularly true of Thailand's relationship with Myanmar with border trade and fishing rights being the biggest trouble spots. In addition, the influx of illegal immigrants from Myanmar, many of whom are brought into Thailand by well organized Thai operators, will continue to add strains to the relationship between the two countries.

Each country should, therefore, co-operate by imposing measures from within its side of the border to curtail the illegal activities of its own citizens. And as long as there is a meeting of the minds at the highest level of governments, progress can be made. This constant fence-mending approach will always be necessary among neighbors, and in the end all will come around to Thailand's example of putting harmonious and peaceful relations as the hallmark of its foreign policy.

Thai Labor Minister Passes Away From Heart Failure

*BK2803020596 Bangkok Radio Thailand Network
in Thai 0000 GMT 28 Mar 96*

[FBIS Translated Text] Phisan Munlasatsathon, minister of Labor and Social Welfare Affairs, passed away due to heart failure at 2210 yesterday at the Chulalongkon Hospital.

Vietnam

SRV: Le Duc Anh Welcomes, Holds Talks With Uzbek President

*BK2803121996 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 28 Mar 96*

[FBIS Translated Text] A solemn ceremony was held at the Presidential Palace in Hanoi at 0900 this morning to welcome Uzbek President Karimov and his wife, who are now on an official friendship visit to our country. President Le Duc Anh and his wife, as well as Deputy Prime Minister Nguyen Khanh and Foreign Minister Nguyen Manh Cam, attended the welcoming ceremony. Also on hand to welcome the Uzbek president and his wife were: Presidential Office Director Nguyen Viet Dung; Hoang Van Nguyen, chairman of the Hanoi Municipality People's Committee; and a number of ministers and deputy ministers.

President Le Duc Anh gave President Karimov and his wife a warm welcome. Afterwards, our delegation led by President Le Duc Anh held talks with the Uzbek delegation led by President Karimov. The two delegations then signed a number of agreements. President Le Duc Anh and President Karimov signed an agreement on Vietnamese-Uzbek friendship and cooperation. Deputy Prime Minister Nguyen Khanh and Uzbek Deputy Prime Minister Chizhen signed agreements on scientific-technical cooperation, investment protection, and avoidance of double taxation. Foreign Minister Nguyen Manh Cam and Uzbek Foreign Minister Abdulaziz Kamilov signed the agreements on establishment of an intergovernmental commission and on tourism cooperation.

Next, President Karimov and his entourage laid wreaths at the Bac Son Monument of Fallen Heroes and Heroines and paid a floral tribute to President Ho Chi Minh at his mausoleum.

SRV: Ho Te Grants Interview on Budget Collection Target

*BK2603151896 Hanoi HANOI MOI in Vietnamese
17 Mar 96 p 1*

[Interview with Finance Minister Ho Te by Ngoc Lien; place and date not given]

[FBIS Translated Text] [Ngoc Lien] The state budget collection in 1995 came short of the target approved by the National Assembly. In your opinion, will the collection in 1996 come short again like in 1995?

[Ho Te] The 1996 collection will be 62 trillion dong. This is a relatively safe amount for the collection to reach. However, the collection of import-export taxes must be calculated carefully. The collection of import-export taxes in 1995 was 12.5 trillion dong and it will increase to 18 trillion dong in 1996. In order to reach that amount, we have set out four measures: first, establishing detailed planning from the beginning; second, going into the details of each imported product along with uniform coordination between the Customs Service, the Ministry of Commerce, and the Ministry of Finance; third, correctly collecting the taxes despite false declarations of prices by importers — this is the responsibility of the Customs Service —; fourth, adjusting taxes in accordance with the tax schedule approved by the National Assembly. One of the most important things is that we must have a tax barrier to protect local production and consumption. I believe that we will be able to reach the target because we have planned, checked, and calculated carefully. The problem now is the management and implementation, if we can satisfactorily carry out these tasks, we will accomplish the 1996 plan for budget collection.

[Ngoc Lien] In 1995 Hanoi did not fulfill its budget collection plan. One of the reasons for that is that Hanoi lost some of its tax collection resources. In early 1996, after reassessment and correction, we found that its collection was overfilled. Will the same thing happen again this year?

[Ho Te] Hanoi's tax collection for 1995 reached about 98-99 percent of the plan. When planning the target, the Ministry of Finance calculated the registration tax for Hanoi too high. The collection of aviation service taxes was also granted to Hanoi. However, after the Law on Aviation was passed by the National Assembly, this sector was exempted from taxes. The collection of taxes from the electricity, oil and natural gas, and

postal service sectors was also granted to Hanoi, but the government later allowed them to keep their taxes for more investment. After reassessment and correction, it has been found that Hanoi reached 103.6 percent of its tax collection plan. The tax collection target in 1996 is fairly high not only for Hanoi but for other provinces and cities as well. However, I know that Hanoi has decided to reach its target.

[Ngoc Lien] Thank you, minister.

SRV: President Tours Lai Chau Province, Stresses Key Tasks

*BK2703141296 Hanoi VNA in English
1250 GMT 27 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 27 — President Le Duc Anh told leaders of the northern mountain province of Lai Chau during his visit from March 22-24 that their most important tasks now as well as in the future are to focus on: persuading and helping ethnic minority groups to put an end to slash-and-burn farming, poppy planting, and opium trafficking.

He visited Muong Te, a model district for the government's project on socio-economic development in mountain areas, and discussed the current socio-economic situation of the province with provincial and local leaders as well as detailed measures to fully utilize local strengths and solve outstanding issues.

President Anh highly valued the efforts made by Lai Chau's people and party cadres to realize the socio-economic targets set for 2000. He pointed out the need to diversify forms of production including joint ventures with foreigners, to effectively use all sources of capital and to attach importance to economic efficiency in (every development) project, gradually eliminating poverty and hunger.

The president also drew local authorities' attention to the immediate and long-term plans to develop specific regions in the province, aimed at stabilizing people's lives and protecting the environment.

During his tour, the president paid respect to fallen soldiers at the Dien Bien Phu Cemetery, called on heroic mother Ly Nhu Xo, a war invalid Mr. Tran Dinh Nghe, and some Army and Border Guard units.

SRV: Nong Duc Manh Interviewed on Assembly's Ninth Session

*BK2703080796 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 21 Mar 96 pp 1, 5*

[Interview with National Assembly Chairman Nong Duc Manh by correspondent T.S. before the closing of the

Ninth National Assembly's ninth session in Hanoi on 20 March]

[FBIS Translated Text] [Correspondent] Mr Chairman, the National Assembly will hold its closing session at 0900 this morning. Can you give your remarks on the results of the Ninth National Assembly's ninth session up to now?

[Nong Duc Manh] The opening of the Ninth National Assembly's ninth session coincided with that of the First National Assembly's first session on 2 March 1946. Though this session does not take as much time as the previous ones, the National Assembly has decided on many important issues. The deputies heard the government supplementary report on the implementation of tasks for the last two months of 1995 as well as of tasks for 1996. They held very profound discussions, evaluated results, and appreciated the efforts of our people countrywide and the government's positive role in handling state affairs. They also made profound analyses of weaknesses and shortcomings. The National Assembly attached special importance to the state budget. The great results of this session rest with the National Assembly's resolution on the need to concentrate efforts to ensuring the 1996 budget revenue collection and expenditure plan. Furthermore, in less than 20 days, the National Assembly reviewed and adopted three draft laws, namely the Law on Minerals, the Law on Cooperatives, and the Law on the State Budget. These are very important documents because they contribute to creating the legal foundation for national socioeconomic activities. With regard to the Law on the State Budget, I must say that so far, we have paid great attention to the establishment of a healthy national financial system built upon efforts to stimulate production, satisfactorily manage the state budget, create and foster sources of collection, and set up mechanisms to simultaneously ensure uniform management and encourage all branches and echelons to vigorously boost production and make greater contributions to the state budget. It is our objectives to promote growth so as to guarantee revenue collection, to tap domestic resources, to make effective use of loans, and so forth. The implementation of the Law on the State Budget will contribute to effecting positive and important changes.

The National Assembly also heard a report on diplomatic activities.

The good implementation of the resolutions of this National Assembly's session will contribute to whipping up a mass movement to fulfill the 1996 tasks and earn merits to welcome the Eighth National Party Congress.

[Correspondent] Mr Chairman, in terms of work program, what is the most noteworthy feature of this session compared with the previous ones?

[Nong Duc Manh] Legislative work has to follow well-established procedures. Nonetheless, each session has witnessed new progress. This time, direct dialogues have taken place throughout the overall process of compiling draft laws, holding debates, and answering questions in the conference hall. In my opinion, the National Assembly's proceedings have taken place in an increasingly democratic and straightforward atmosphere as reflected by the debates on issues that still showed different opinions.

[Correspondent] In your role as chairman of the session's presidium, have you ever had to weigh the pros and cons and think a lot because of the hot debates and votings of the National Assembly?

[Nong Duc Manh] Being chairman of the presidium, we always have to think of ways to create conditions for the deputies to air their views as well as to make sure that decisions reflect the will of the collective. While directing the session, we must not resort to imposition but must guarantee objectivity and respect the collective's views and the majority's decisions. At times, we wonder if certain issues will be approved or not. Nonetheless, the final decision belongs to the National Assembly.

[Correspondent] The Ninth National Assembly will convene two more sessions before concluding its term. Do you have any ideas about the legislative work program of this National Assembly?

[Nong Duc Manh] First of all, it must be made clear that the legislative work program is not designed for the sole purpose of approving draft laws submitted to the National Assembly's sessions. Legislative work involves the overall process of laying the groundwork and passing it on to compilation committees as well as of soliciting public opinions before submitting draft laws to the National Assembly for consideration and approval. The consideration for some issues may take several decades. There are issues that are submitted to one National Assembly for consideration and then need further review by another National Assembly. The Ninth National Assembly has inherited the results of the legislative work program of the Eighth National Assembly and will also leave behind its study and research to the 10th National Assembly. Therefore, I believe that the legislative work program of the Ninth National Assembly will be implemented and completed within its term.

[Correspondent] Thank you, Mr Chairman.

SRV: Hanoi Military Command Holds Party Congress

*BK2703161796 Hanoi HANOI MOI in Vietnamese
21 Mar 96 pp 1, 4*

[Report by Kim Dung]

[FBIS Translated Text] The Capital City Military Command party organization opened its fifth congress on 19 March. Attending the congress were 158 delegates representing nearly 2,000 party members belonging to 92 party organizations. Also present were Hanoi party committee Secretary Pham The Duet; Senior Lieutenant General Nguyen Chon, deputy minister of national defense; many representatives of offices, departments, and mass organizations in the city; and representatives of military commands in precincts and districts in the city.

During its 1991-95 term, the Capital City Military Command party organization always considered "fighting peaceful evolution and subversive violence as the core political task in parallel with our readiness to fight to protect Hanoi in all situations." Based on that perception, the party organization focused its efforts on the renovation of ideological work, modification of the organizational structure, reorganization of forces, perfection of combat plans, improvement of training quality, and participation in the handling of "hot points." The party organization has always attached importance to the task of consolidating the force with the aim of heightening the political quality and combat ability of the armed forces, thus enabling them to fulfill their duties in the new period. Importance has also been attached to enhancing the comprehensive leadership capacity of the party organizations, improving the competence of the contingent of cadres and party members in terms of knowledge as well as operational skills, and consolidating internal unity, thus creating general strength to deal with all situations no matter how complicated. The party organization has also correctly determined the relationship between the Capital City Military Command and Hanoi's party organization, administration, and mass organizations as well as other units in the locality. It has performed its role of assisting the city administration in managing its national defense duties better.

The leadership capacity of many party organizations at the grass-roots level is still limited, however. Some cadres and party members lack the determination to improve themselves. Many party organizations at the grass-roots level still suffer from confusion while implementing central resolutions and directives. Some cadres lack essential training and the number of party members with university qualifications is still low, thus limiting their knowledge of socioeconomic issues.

The major goals of the party organization from now until 2000 are: To understand the situation correctly; to detect early and counter quickly all plots and schemes by enemies of all types; to heighten the quality of the armed forces; to ensure that all troops have good health, wide knowledge, and good cultural lifestyles; to heighten the leadership capacity of cadres and the role of advising the city's leaders and lower administrative levels on national defense issues; and to elevate the comprehensive leadership role and the combat capacity of all committee and party members. We should strive for a contingent of high-quality party members. The number of party members in each company should be increased. The party organization will try to have 80 percent of all party organizations at the grass-roots level assessed as steadfast units, with 80 percent of party members assessed as category 1 and no party members falling into categories 3 or 4. The party organization will also strive to reduce the number of party members being disciplined to less than 1 percent, and no committee members should be subject to disciplinary penalties. By 2000, the party organization will aim to have all core cadres and potential core cadres equipped with university qualifications in an effort to create momentum to improve the quality of our troops.

SRV: 'Great Challenges' in Environmental Protection Viewed

*BK2603162996 Hanoi VNA in English
1457 GMT 26 Mar 96*

["Efforts for Environmental Protection" — VNA headline]

[FBIS Transcribed Text] Hanoi VNA March 26 — Vietnam is facing great challenges in environmental protection: Forest destruction, industrial waste and sewage. Within only 40 years, the forest area has decreased by a half. Perhaps, the shrinkage of forests, particularly rain forests, home to many kinds of wildlife, is crucial to the degradation of bio-diversity in Vietnam.

Despite the shrinkage of forests over the past centuries, there is a wide variety of plant in Vietnam's forests. Up to now, 10,434 species of veined plants life have been registered, of which 230 species are used for food, medicaments, timber, essence, and other materials.

There is also a wide diversity of wildlife in Vietnam. They include 275 species of animal, 828 species of bird, 180 species of reptile, 80 species of frog, 472 species of fresh water fish, about 2,000 species of sea fish, and dozens of species of invertebrates on land, in the sea, and in fresh water.

Recently, new species of animal including the pseudoryx vuquangensis and the megamuntiacus vuquangensis,

two animals of the deer or ox family, have been discovered in Ha Tinh Province, central Vietnam.

One of the main causes of environmental pollution is the discharge of industrial waste by the enterprises. This problem has been mentioned in annual and five-year plans for socio-economic development, in an inter-ministerial circular of the Ministry of Planning and Investment and the Ministry of Science, Technology and Environment, and in investment documents. These two ministries in cooperation with other ministries and branches concerned are undertaking a project of strategic significance entitled 'Strengthening the National Capacity To Incorporate Environmental Protection Into Investment Decisions' with the UNDP [UN Development Program] as sponsor.

The aim of the project is to strengthen the capacity of the central and local government in considering the aspect of environmental protection in making investment plans

and decisions for socio-economic development at both the central and local levels.

The Vietnamese Government is also taking concrete measures to raise the citizens' awareness of environmental protection. It has decreed the establishment of a system of national parks and nature preserves with a total area of 1.17 million hectares. This system is expected to be expanded to 2.37 million hectares in the future. Vietnam has also signed the convention on bio-diversity and the convention on the trading of endangered wildlife and plantlife.

Vietnam has done much for environmental protection and it is hoped that with its continued efforts for this purpose and with the help of the world community, the country will be able to conserve its environment and ecology for the benefit of all.

Australia**Australia: Downer, Malaysia's Mahathir Hold Talks**

*BK2603100096 Melbourne Radio Australia
in English 0630 GMT 26 Mar 96*

[From the "International report" program]

[FBIS Transcribed Text] Australian Foreign Minister Alexander Downer is claiming success following his first diplomatic outing, a late-night transit lounge meeting with Malaysian Prime Minister Dr. Mahathir. Dr. Mahathir's government jet touched down in Darwin last night en route for New Zealand. The refueling stopover enabled the pair to discuss bilateral trade and regional diplomacy and laid the groundwork for a meeting between Dr. Mahathir and Prime Minister John Howard on Friday [29 March].

From Darwin, North Australia correspondent Mark Bowling reports:

[Begin recording] [Bowling] Arriving in the midst of a tropical lightning storm, Malaysia's Dr. Mahathir was escorted directly to Darwin's international transit lounge. With relations strained between the former Australian government and Malaysia, this was Dr. Mahathir's first glimpse of Australia in more than a decade. And waiting to greet him, new Foreign Minister Alexander Downer. The two spent almost 50 minutes talking privately except for an occasional interruption by silver service waiters.

[Unidentified voice] What have we got here? Spring rolls. These are for the VIP's. Yeah, exactly.

[Bowling] Mr. Downer described his first round of transit lounge diplomacy as warm and easy; one which provided a good foundation for improved bilateral relations and one which had set up Friday's meeting between Dr. Mahathir and Prime Minister John Howard. Dr. Mahathir said that he would discuss the East Asian Economic Caucus, a grouping of Asian countries which, according to Dr. Mahathir, will exclude Australia. And also on the agenda: A new bilateral trade agreement, APEC [Asia-Pacific Economic Cooperation], the ASEAN Regional Forum, and the bid by the Australian company Transfield to sell patrol boats to Malaysia. Mr. Downer believes his transit lounge diplomacy has paid off.

[Downer] I am told that Dr. Mahathir has met many a minister and a foreign minister and other ministers in transit lounges. That is part of the world of diplomacy in which we nowadays live. I think it says more about the modern age than any of the actors on the stage.

[Bowling] How far were you able to take those multilateral issues, the East Asian Economic Caucus for instance? Were you able to put the position to Dr. Mahathir that clearly his position has been at odds with the Australian position?

[Downer] Well, we did not get him to that at all. I just listened to what he had to say and it was clear that he wanted to discuss this issue with Mr. Howard later in the week and I left that discussion until later in the week.

[Bowling] Presumably, the same applies for the European-Asian summit. And any discussion of whether Australia could join that or whether he continues to veto and see Australia not joining that?

[Downer] Well, you've got to remember that the next Asia-Europe summit meeting isn't until 1998, when it will be held in London. So it's rather a long way off from now.

[Bowling] Do you consider that in some way you have changed Dr. Mahathir's opinion about Australia and Australian politicians and the way Australia wants to engage with Asia?

[Downer] I guess what I have been able to do is transmit to Dr. Mahathir and the Malaysians generally the commitment of the coalition to our region as the primary focus of our foreign policy. And I don't suppose he really doubted that, but in any case I have been able to make that point that we obviously regard the bilateral relationship with Malaysia as a very important component of our foreign policy.

[Bowling] Last night's meeting has also indirectly given new hope to Australian mother (Jacqueline Gillespe). After more than four years of despair there is renewed hope that she may be allowed to make contact with her two children abducted by a Malaysian prince. Senior Malaysian officials accompanying Dr. Mahathir were handed a letter proposing that an independent person be appointed to make such contact possible.

While Mr. Downer was clearly pleased with his diplomatic efforts, the real test will come on Friday when Prime Minister Howard meets the Malaysian leader on his return from New Zealand. [end recording]

Australia: Downer Optimistic on Ties With Indonesia

*LD2803091696 Melbourne Radio Australia
in English 0800 GMT 28 Mar 96*

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, says he is encouraged by the willingness of President Suharto of Indonesia to work with Australia's new government. During a meeting in

Jakarta with Northern Territory Chief Minister Shane Stone earlier this week. Mr. Suharto said he looked forward to meeting Prime Minister John Howard. Mr. Downer says the government will concentrate on further improving relations with Indonesia, although Mr. Howard has yet to decide when he will visit Jakarta. Mr. Downer says, however, the early signs are encouraging.

[Begin Downer recording] I think Mr. Stone's meeting with President Suharto has been a very successful meeting and has ensured that any doubts there were in the minds of the Indonesians about the commitment of the new government to the bilateral relationship are put firmly out of their minds. [end recording]

Australia: Downer Reiterates Offer To Help Achieve Peace in PNG

BK2603073396 Melbourne Radio Australia in English 0500 GMT 26 Mar 96

[FBIS Transcribed Text] Australia says it is ready to provide Papua New Guinea [PNG] with every assistance to achieve a peaceful outcome to the long-running separatist insurgency on Bougainville. Foreign Minister Alexander Downer says Australia is looking at various options but will not be provocative and will not do anything to compromise PNG's sovereignty. In an interview with Australia Television, Mr. Downer said PNG military action on Bougainville would not be a solution.

[Begin recording] [Downer] My view about Bougainville is that in the end there will have to be dialogue leading to peace, that military action, that physical confrontation of that kind, will not be a solution. It cannot be a solution, and there is a great deal of history that simply proves that to be the case. So, what can we do? Well, you know, it is an independent country, PNG.

[Interviewer interrupts] What about an observer force?

[Downer] Well, we have not proposed that. But what we have said to the PNG Government is that we are prepared to assist with the encouragement of the peace process in a way that they might think would be helpful and constructive. [end recording]

Marshall Islands

Marshall Islands Refuses To Sign Nuclear-Free Zone Treaty

LD2803110496 Melbourne Radio Australia in English 0700 GMT 28 Mar 96

[FBIS Transcribed Text] The Marshall Islands says it is maintaining its refusal to sign the South Pacific nuclear-free zone treaty. Foreign Minister Phillip Muller says if it became a signatory the people of the Marshalls would have to continue living with nuclear waste as the treaty

bans the transport and disposal of such material in the region. His remarks follow the recent signing of the document by France, Britain, and the United States. Mr. Muller said their signing did not mean much, as France had already finished nuclear testing and the Americans had not made a commitment to clean up nuclear waste already in the region.

The United States conducted scores of nuclear tests in the Marshalls between the 1940's and 1950's, contaminating several islands.

New Zealand

New Zealand: Bolger Says Talks With Australia's Howard 'a Step Forward'

BK2403163196 Christchurch THE PRESS in English 21 Mar 96

[Report by Jeremy Kirk in Wellington — received via Internet]

[FBIS Transcribed Text] Australia has agreed to reopen talks with New Zealand on a single aviation market after the leaders from both countries met in Sydney yesterday.

Prime Minister Jim Bolger spent more than two hours with the new Australian Prime Minister, John Howard, emerging with an Australian commitment to reopen aviation talks and to further develop the Closer Economic Relations [CER] agreement.

The single aviation market agreement, which would have given Air New Zealand the right to fly domestic routes in Australia, was agreed in 1994, but was scuttled by the Keating Government a few days before it was to take effect.

Mr Howard said his Transport Minister, John Sharp, would soon be in touch with his New Zealand counterpart, Maurice Williamson, to open discussions, but no significant progress would be made until consultations were held with Qantas and Ansett, which oppose the deal.

Reopening negotiations was one of the issues the Liberal-National coalition campaigned on before their landslide victory this month.

Mr Bolger's early visit, the first by a head of government to Mr Howard, was clearly designed to get to know the new Prime Minister as well as gauge whether campaign promises would be translated into action.

Mr Bolger appeared pleased with the result. He described the discussions as warm and positive, and "a step forward".

Mr Howard indicated the Australian Government was also prepared to discuss areas of contention with the Closer Economic Relations agreement that had been stumbling blocks with the Keating Government.

Mr Bolger said that some issues, such as mutual recognition of imputation credits between companies was a difficult issue "unlike trans-Tasman deviation where we can see our way ahead".

Mr Howard, who has been an admirer of National's policies, praised Mr Bolger for the Employment Contracts Act, although Australia is proposing a milder form of labour law.

Noting that New Zealand had a 6.1 per cent unemployment rate while Australia's was almost 2.5 per cent higher, Mr Howard said lessons could be learned from New Zealand's example.

New Zealand port reform was another change followed with interest.

"Many of the economic changes that have occurred have been to the betterment of New Zealand."

He emphasised the historic ties between the two countries and said this would continue.

"We treat CER seriously and we will endeavour to advance it, recognising there will be some issues where there are Australian interests to which paramountcy should be given. Equally, there will be New Zealand interests where paramountcy should be given."

The Liberal Government's election win was a confidence-booster for the National Government because it marked the first time a conservative government had been in office on both sides of the Tasman since the early 1980s.

New Zealand: Report Shows Exchange Rates Put Squeeze on Profit, Jobs

*BK2403132496 Christchurch THE PRESS in English
20 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Canterbury manufacturing exports soared by nearly a fifth in February, but bottom-line returns shrank to half of historic levels, says Canterbury Manufacturers' Association chief executive Michael Hannah.

The February survey of manufacturing conditions gave a picture of a productive sector doing more to gain less because of soaring exchange rates.

"Manufacturers are making sales by dropping their prices, with only a quarter of the survey group reporting increased profits," said Mr Hannah.

This compared with the recent historic figure of recent years of between 40 to 50 per cent of exporters reporting increased profit. While some pundits were putting an ebbing of business confidence down to MMP [mixed member proportional electoral system] jitters, Mr Hannah said that for many manufacturers economic survival was now foremost in their minds. February figures showed a 19.4 per cent lift in exports and a 19.6 per cent leap in domestic sales compared with last year [February 1995].

"We may have got great sales volumes, but that does not mean everyone is jumping for joy," said Mr Hannah.

Business confidence was virtually all based on margins at present.

Manufacturers had been hit twice by the steep rise in the exchange rate. Exporters had had their profit margins slashed while domestic manufacturers had had to cut their margins to compete with increasingly cheap imports.

The impact of the margin squeeze was showing up in areas of manufacturing such as jobs, where from 1991 onward much of New Zealand's job growth had taken place.

February results showed that staff levels were now 5.8 per cent lower than a year ago. "Firms are using a sinking lid policy with not a big number of redundancies," said Mr Hannah.

Business would be looking to the Reserve Bank forecasts on Thursday [21 March] for signs that exchange rates could ease, but would also be looking to other sectors for relief from price increases.

Mr Hannah said that some predictions for future inflation were now tipping it would drop below 1 per cent in early 1997, giving the Reserve Bank some scope for permitting a lower exchange rate.

There were already indications that the exchange rate had already risen far more in the past three months than the Reserve Bank needed to meet its inflation target. Confirmation that this assumption was correct would possibly come on Thursday.

Inflation policy aside, manufacturers would be looking at other sectors to keep a tight leash on any price increases so profitability could recover, he said.

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